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Blacks Strike in S. Africa

A Million Protest As Whites Elect New Parliament

JOHANNESBURG — South Africa's voteless blacks staged one of the biggest protest strikes in the country's history as the white minority went to the polls on Wednesday for general elections.

The election campaign ended with white voters going to heavily guarded polling stations in often near-deserted streets.

First estimates indicated that more than a million workers and students stayed at home in segregated townships to protest the exclusion of the black majority of 25 million from Parliament.

In most areas they appeared to have heeded their leaders' pleas for a peaceful, disciplined strike.

The three million white voters were expected to re-elect President Pieter W. Botha's rightist National Party, which has held power since 1948 and campaigned on a tough law-and-order platform.

Security forces launched a major operation in Soweto, the largest black township and a frequent flashpoint in the past three years of violent anti-apartheid protest.

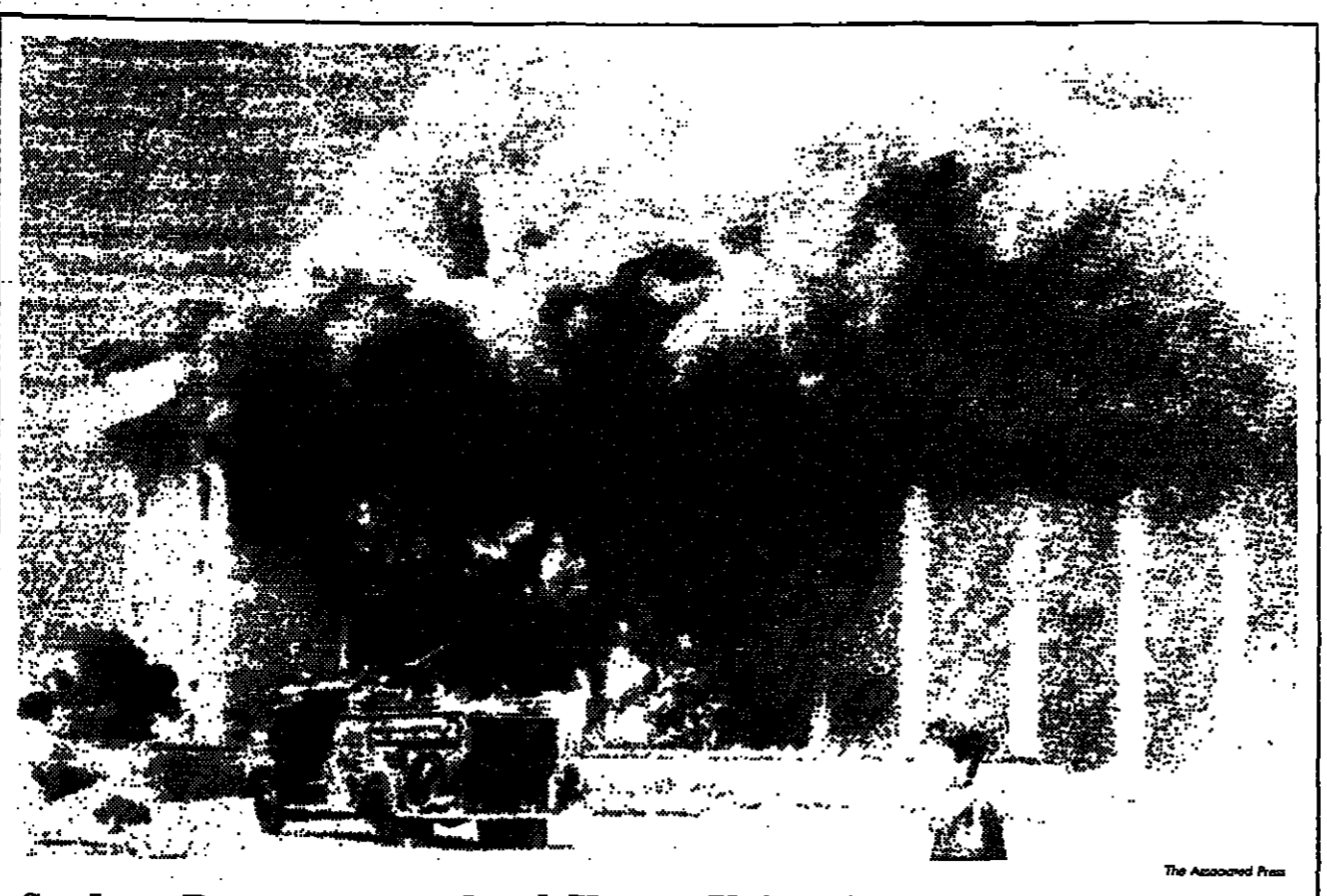
More than half a million blacks stayed at home on Tuesday after trade unions and anti-apartheid groups called a two-day peaceful protest. The independent Labor Monitoring Group said the boycott Wednesday was far bigger.

The United Democratic Front, the largest legal anti-apartheid organization, said it was the biggest protest against white rule since a state of emergency was declared in June to crack down on political unrest.

Schools were boycotted in most townships. The country's two most prestigious English-language campuses, Cape Town University and Witwatersrand University in Johannesburg, shut for the day after student clashes with riot police.

The election campaign has been accompanied by an increase in firebomb attacks on trains and police shootings. The government has charged that guerrillas of the African National Congress planned to disrupt the campaign.

The government's latest unrest report listed dozens of minor incidents.



Students Demonstrate at South Korean University Smoke rising from the main building at the Ansan campus of Kanyong University near Seoul on Wednesday. The building was set on fire during a demonstration by about 400 students seeking the removal of the university president and the lifting of academic sanctions on activists. Violence erupted after police stormed the campus, firing tear gas. Six students were arrested.

Hart's Wife Says He Did Nothing Wrong

DENVER — Gary Hart's wife, Lee, said Wednesday that she was not disturbed by his association with a young actress.

"Gary said, 'I did nothing,' and I know he did nothing," Mrs. Hart said in an interview before flying to join her husband in New Hampshire, where he was campaigning for the Democratic presidential nomination. "And in all honesty, if it doesn't bother me, I don't think it ought to bother anyone else."

The Miami Herald has reported that Mr. Hart, 50, the leading contender for the party's nomination, spent Friday night and most of Saturday with Donna Rice, 29, an actress, model and pharmaceutical saleswoman, at his Washington town house while Mrs. Hart was in Denver.

The Herald assigned reporters to stake out the house Friday and Saturday after an anonymous tip, but acknowledged Monday that entrances were unwatched for up to five hours.

The former Colorado senator has denounced the report as "false and misleading."

husband had showed poor judgment, Mrs. Hart said. "If I could have planned his weekend schedule, I think I would have scheduled it differently."

"But I don't think one should misconstrue something that may be in New Hampshire, the key issue for many appears to be Gary Hart's honesty. Page 3.

a bad political judgment with the kind of character assassination that has been going on."

Mr. Hart traveled to New Hampshire on Wednesday but canceled appearances scheduled for later in the week so that he could return to Denver to see his family.

"I know Gary better than anyone else," Mrs. Hart said at Stapleton International Airport in Denver. "When Gary says nothing happened, nothing happened. One thing I do know especially about my husband, he does not lie."

Until she agreed to be interviewed Wednesday, Mrs. Hart had been in seclusion at the Hart family home in Troublesome Gulch, in the foothills west of Denver. She said she was sorry about

what she considered a breach in journalistic ethics, adding: "I personally find it outrageous that a story was printed without the facts. They were given an opportunity to find out those facts."

Mrs. Hart said a person gives up some privacy during a presidential campaign. "But I wasn't quite prepared for the kind of sophisticated electronics, or whatever, around my house for the last three days that was trying to look into my house over 200 yards away. Two hundred yards is about 180 meters."

■ **Statement Is Said to Help** E.J. Dionne Jr. of The New York Times reported earlier from Washington.

Democratic politicians say that Mr. Hart's assertion that he had done nothing "immoral" would help keep his candidacy alive but had not resolved doubts that the incident had raised about his judgment.

One of his opponents for the Democratic presidential nomination, Senator Joseph R. Biden Jr. of Delaware, said he believed Mr. Hart's statements that he had not spent the night with Ms. Rice.

"I feel sorry for him and his family because I believe him," Mr. Biden said. But some of Mr. Hart's supporters said they needed further explanations. "He's provided a beginning of an

See HART, Page 2

North Again Implicated In Tax Fraud Conspiracy; Secord Tells of Pressure

Rebel Funds Were Priority, Witness Says

WASHINGTON — Richard V. Secord told Congress on Wednesday that the hostages in Lebanon were always a part of the U.S. arms deals with Iran but there was no formal arms-for-hostages agreement when Robert C. McFarlane, the former national security adviser, flew to Tehran in May 1986.

The retired air force major general testified in the second day of public hearings by the special House and Senate committees on the Iran-contra affair. He also said that while he was trying to set up the arms delivery to Iran, he was under pressure from Lieutenant Colonel Oliver L. North to divert profits to the Nicaraguan rebels, known as contras.

He said he believed Colonel North, who was removed from the National Security Council in November when the Iran-contra affair became public, originated the idea of diverting the profits of the arms sales to the contras.

General Secord described three meetings with Israeli and Iranian officials in Paris, London and Frankfurt to set up the arms sales.

He said "there were always discussions of hostages whenever there were meetings" with the Iranian arms dealer, Manucher Ghorbanifar.

But he said that in early talks with the Iranian middleman, whom he described as "smooth" but untrustworthy, he found talk of an arms-for-hostages plan "repulsive."

He said that Mr. McFarlane found Mr. Ghorbanifar "one of the most despicable characters he had ever met."



Casey Dies William J. Casey, former CIA chief, is dead. Page 2.

Fund Raiser for Contras Pleads Guilty

WASHINGTON — Richard Miller, a public relations executive, pleaded guilty Wednesday to conspiring with Lieutenant Colonel Oliver L. North and Carl R. Channell to use a tax-exempt foundation illegally to raise money for the Nicaraguan rebels.

Mr. Miller, president of International Business Communications, admitted that he discussed with Colonel North, then a National Security Council aide, the raising of money to buy a piece of military equipment for the rebels, known as contras.

Asked by the U.S. District Judge Stanley Harris to name the government official with whom he dealt, Mr. Miller replied, "Lieutenant Colonel Oliver North."

Prosecutors told Judge Harris they had evidence that Mr. Miller then obtained a donation to buy the equipment — after getting an estimate of the equipment's cost from Colonel North — from a private contributor to the foundation run by Mr. Channell.

Judge Harris ordered Mr. Miller released on personal recognizance. Mr. Miller could be sentenced to up to five years in prison and fined \$250,000 for conspiring to defraud the government of taxes on \$3 million raised by Mr. Channell's National Endowment for the Preservation of Liberty.

The criminal information against Mr. Miller stated that a \$1 million contribution was donated to the endowment in 1985, shortly after Mr. Miller and Mr. Channell had met with the donor.

Mr. Channell pleaded guilty last week to a similar charge brought by Lawrence E. Walsh, the independent counsel investigating the Iran-contra affair.

The charge involved using Mr. Channell's tax-exempt foundation "for an improper purpose, namely, to solicit contributions to purchase military and other types of nonhumanitarian aid for the contras," said the filing.

At that time Mr. Channell named Mr. Miller, a former staffer on President Ronald Reagan's 1980 campaign, and Colonel North as co-conspirators.

Mr. Channell admitted that he falsely represented to the Internal Revenue Service that his endowment was a tax-exempt organization raising money for charitable purposes.

Money for arming the Nicaraguan contras is not a tax-deductible contribution.

Mr. Channell is awaiting sentencing. The information filed against Mr. Miller said he was involved in three meetings in 1985 with Mr. Channell that paved the way for contributions of \$3.1 million in stocks and cash to the foundation.

Prosecutors have said the foundation told prospective donors that the money would be used to purchase military and other nonhumanitarian aid for the contras.

Mr. Walsh is conducting his investigation as congressional committees hear public testimony on the sale of weapons to Iran and the contras.



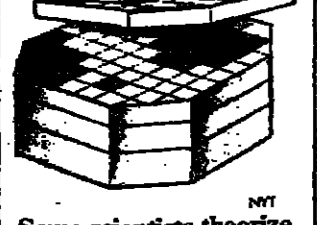
ISRAEL RAIDS CAMP IN LEBANON — Palestinian refugees and militiamen looked for survivors of an Israeli air raid on Wednesday at the Ain al Helweh refugee camp south of Sidon. The attack demolished 50 buildings, killing at least seven persons and wounding 28, according to security sources in Lebanon. Page 6.

Kiosk Poles May Hold Referendums

WARSAW (Reuters) — The Polish parliament passed laws on Wednesday amending the country's constitution and allowing nationwide consultations and referendums on some political and social issues.

But only parliament can call a referendum under the provisions of the law, and the results of a vote will only be considered binding on the authorities if more than 50 percent of eligible voters take part.

Western diplomats said the bill was one of several innovations aimed at giving the public a greater voice in government, but added that its terms were likely to be restrictive and its results ineffective.



Some scientists theorize that clay can reproduce itself. Science, Page 12.

GENERAL NEWS

■ **The U.S. Constitution** sanctioned slavery and was anti-women, according to Justice Thurgood Marshall of the U.S. Supreme Court. Page 2.

■ **U.S. helicopters** ferried Guatemalan troops to the nation's interior to battle rebels. Page 3.

■ **Thailand is to buy tanks** and other arms from China in a \$10-million deal. Page 6.

BUSINESS/FINANCE

■ **West Germany** released jobless data and production statistics that confirmed its sluggish growth pattern. Page 13.

■ **An investor group** raised its bid for control of Burlington Industries. Page 13.

China Threatens to Act In India Border Conflict

By Daniel Southerland Washington Post Service

BEIJING — The Chinese government warned Wednesday that it cannot stand by without acting in the face of what it said were Indian border intrusions.

China's Foreign Ministry spokesman, Ma Yuzhen, said China hoped that "the intruding Indian military personnel will be withdrawn as soon as possible so as to relax the tense situation" and to "avoid an unpleasant event."

Mr. Ma's statement, delivered Wednesday in answer to a question at a regular weekly press briefing in Beijing, was China's second public statement in two weeks concerning reports of an Indian troop buildup on the border and alleged intrusions into Chinese territory.

The statement was regarded as tougher than one delivered April 22 by Mr. Ma. On Wednesday, the Chinese threatened possible retaliatory action if Indian troops were not withdrawn from unspecified sections of the disputed Himalayan mountain region. In the previous statement, there was no talk of retaliation.

Mr. Ma said that "faced with the tense situation emerging in the border areas," China "cannot stand by without taking any action."

But most diplomats in Beijing rule out the possibility of a major war between the countries.

Some said the hardening of the Chinese position on Wednesday probably was designed to elicit Indian concessions in another round of border talks.

The diplomats do not rule out, however, the possibility of further tensions arising or skirmishes occurring as the snows melt in the Himalayas and troops on both sides are able to move more freely.

The senior Chinese leader, Deng Xiaoping, and Prime Minister Rajiv Gandhi of India face delicate domestic political situations, making it difficult for either side to make concessions in any new round of border talks.

The Indians are reported to have proposed that new border talks be held soon. But seven previous rounds of border talks have made little progress, diplomats say.

cently. "They haven't got to that stage yet."

Indian government officials disputed Beijing's accusation last month that Indian troops crossed the India-China border.

Mr. Ma, the Chinese spokesman, said Wednesday that if India withdrew all the troops that have "crossed the line of actual control between the two sides," it would be "easy" to settle the border conflict.

He repeated allegations that he made last month. He said that the "tense situation" had resulted entirely from Indian border intrusions and the occupation of "some points" inside Chinese territory.

India has also sent military aircraft to violate Chinese air space," Mr. Ma said. "It has also amassed military troops in the border areas," which he said were there "to conduct military exercises."

The Indians have denied violating Chinese air space or conducting military exercises along the Chinese border.

China has denied reports from the Indian press that it has been amassing troops in Tibet.

China claims 56,000 square miles (145,150 square kilometers) of territory in the eastern Himalayas bordering on Tibet, which India has declared to be its state of Arunachal Pradesh.

China annexed Tibet in 1950 and does not recognize the so-called McMahon Line fixed in 1914 by the British rulers of India as the border with Tibet and China.

In a Dusty Afghan City, Scars of a Prolonged War

By Richard M. Weintraub Washington Post Service

HERAT, Afghanistan — The young Soviet soldiers stared intently at passing strangers as they guarded the strategic bridge linking this ancient city with its airport.

Backed by entrenched tanks, they kept open the lifeline to the airport and the Soviet Army's supply links from its railhead at Kushka, about 60 miles (100 kilometers) north, to the forces fighting in western and southern Afghanistan. Convoys of more than 200 Soviet-driven trailer and tanker trucks lurched along the badly rutted road northward toward home.

Herat has seen invaders come and go for more than 2,000 years. Alexander built a fortress at Herat and the armies of Genghis Khan, Tamerlane and the great Persian kings sacked and rebuilt it. This trading center has also served as a

citadel of Islamic learning and culture.

Now it is scarred by modern battles with the guerrillas who are fighting the country's Soviet-backed government and its streets are dusty and pitted, reflecting years of wartime neglect.

"We have some problems with security, small groups coming to the road to try to rob people," said Mohammed Khalil Sepoy, the secretary of the People's Democratic

Party for Herat Province. But he said there were no problems last year. "Just some attacks in remote areas."

Mr. Sepoy said the city's population of 180,000 was only slightly lower than it had been before the arrival of Soviet troops in 1979. Other residents said they believed the population had decreased by about 20 percent in recent years.

As he spoke, artillery fire outside the city could be heard. The city itself remained quiet over a 30-hour period, except for occasional crackling of automatic weapons fire at night and two explosions after midnight.

Merchants in the bazaar described life as normal, with shoes and cloth coming regularly from Iran and meat, grain and vegetables arriving unhindered from the fertile countryside.

"Everything has been fine for the last year or so, very secure," said Jamal Uddin, a street vendor of Iranian-made plastic footwear, through a government interpreter. "Before that there were attacks on the villages."

But then, as happened often, there was a volunteered comment or a whispered aside that suggested something different. "All these problems around

here," said an agitated bystander. "The people who attack us cause them. They still are causing problems."

While Western diplomatic reports indicated that unrest continues, recent trouble appears to have been fairly light, according to hospital reports and damage sites.

While there are armed Afghan guards at major or sensitive installations, government and party officials move around the city during the day with ease and usually without arms.

The Soviet troops so evident just two or three miles outside the city are nowhere to be seen inside.

In the heart of the old bazaar district, the walls show the bullet marks of past battles.

At the city's hospital in the modern part of the city, doctors confirmed a recent diplomatic report of a hit by a rocket or a mortar that lightly damaged a new wing of the hospital.

An operating room attendant was killed by the explosion, according to Fraidoun Ashkar, the regional public health officer and hospital director.

Doctors became nervous when talking about war-related casualties but said that about 5 percent to

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See CONTRA, Page 2

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Harsh Words for Constitution

U.S. Justice Notes Early Pro-Slavery, Anti-Women Bias

By Al Kamen
Washington Post Service

WASHINGTON — Justice Thurgood Marshall of the Supreme Court urged Americans not to go overboard in praising the U.S. Constitution while celebrating its bicentennial anniversary. He noted that the document sanctioned slavery and denied women the right to vote.

Mr. Marshall, the first and only black justice on the court, said the constitution was "defective from the start." He said it required several amendments, a civil war, "and momentous social transformations to attain the system of constitutional government, and its respect for the individual freedoms and human rights, we hold as fundamental today."

His remarks were prepared for a speech he was to deliver Wednesday to a lawyer's group meeting in Hawaii.

Mr. Marshall is the first high-ranking government official to take issue with the bicentennial celebration, which is being coordinated by a commission headed by the former Supreme Court chief justice, Warren E. Burger.

Indirectly criticizing the commission's plans and "proud proclamations of the [Founders'] wisdom,

foresight, and sense of justice," Mr. Marshall said the "focus of this celebration invites a complacent belief that the vision of those who debated and compromised in Philadelphia" was responsible for the "more perfect Union" it is said we enjoy today.

"Slavery has been abolished and the right to vote has been granted blacks and women, he said, "but the credit does not belong to the framers."

"It belongs to those who refused to acquiesce in outdated notions of 'liberty,' 'justice' and 'equality' and who strived to better them," he said.

Mr. Marshall said he did not find the wisdom, foresight, and sense of justice exhibited by the framers particularly profound.

The constitution Americans cite today, he said, is "vastly different from what the framers barely began to construct two centuries ago."

The first three words in the preamble, "we the people," Justice Marshall said, did not include the "majority of American citizens," women and blacks.

"These omissions were intentional," he said, as "moral principles against slavery." Those who

would have stood against slavery compromised their principles for economic gain and to induce southern delegates to give the national government broad power to regulate trade, he said.

Mr. Marshall also commented publicly for the first time on how the constitution should be interpreted.

Attorney General Edwin Meese III and other conservatives have argued that the Supreme Court is bound by the "original intent" of those who drafted the constitution, but by new interpretations of a "living constitution" that changes over time.

Mr. Marshall, who was appointed to the court 20 years ago by President Lyndon B. Johnson, sharply disagreed. "The true miracle was not the birth of the constitution, but its life, a life nurtured through two turbulent centuries."

The men who drafted the constitution in Philadelphia in 1787 could not have imagined, he said, "nor would they have accepted, that the document they were drafting would one day be construed by a Supreme Court to which had been appointed a woman and the descendant of an African slave."

"While the Union survived the



Thurgood Marshall

Civil War," he said, "the constitution did not. In its place arose a new, more promising basis for justice and equality, the 14th Amendment, ensuring protection of the life, liberty, and property of all persons against deprivations without due process, and guaranteeing equal protection of the laws."

Referring again to the bicentennial, he said: "We may not all participate in the festivities with flag-waving fervor. Some may more quietly commemorate the suffering, struggle and sacrifice that has triumphed over much of what was wrong with the original document, and observe the anniversary with hopes not realized and promises not fulfilled."

William J. Casey Dies; Director of the CIA And a Reagan Confidant

By Eric Pace
New York Times Service

NEW YORK — William J. Casey, 74, the director of central intelligence under President Ronald Reagan, died at a hospital in Glen Cove, New York, early Wednesday.

The cause of death was listed as pneumonia, with complications from a cancerous brain tumor that was discovered last year.

Mr. Casey, a New York-born lawyer who had been a campaign adviser to Mr. Reagan, suffered two seizures and was hospitalized in Washington on Dec. 15, the day before he was to testify to a Senate panel about the Central Intelligence Agency's role in the sale of American arms to Iran. He underwent surgery three days later for removal of a malignant brain tumor, and it was later reported that he had been under treatment for cancer of the prostate gland.

After several weeks in the hospital, he resigned his CIA post on Feb. 2.

Mr. Casey was a spymaster for the Office of Strategic Services in World War II and became a multi-millionaire in private life, first as a packager and processor of legal and economic information for corporate customers, later mainly as a venture capitalist. He was the manager of Mr. Reagan's presidential campaign in 1980 and took the intelligence post in 1981.

Mr. Casey became the first CIA director in 16 years to stay on from one presidential term to the next.

Yet controversy repeatedly swirled around him. Regularly under fire from some members of Congress, he came in for particularly strong criticism in December as having evidently given CIA staff members great latitude to circumvent a 1984 congressional prohibition on giving aid to the rebels in Nicaragua.

Through it all, Mr. Casey retained the confidence and ear of Mr. Reagan. He became the first CIA director to be a fully participating cabinet member. He also became nationally known, recognizable by his stooped physique, his heavy glasses and his much-mimicked indistinct speech.

Mr. Casey also held high posts in the Nixon and Ford administrations. He was a vigorous Securities and Exchange chairman from 1971 to 1973. He served as undersecretary of state for economic affairs in 1973 and 1974 and as president and chairman of the Export-Import Bank in 1974-1975.

After Mr. Reagan took office he had also been an adjunct professor of geography at Columbia University.

Mr. Casey was a founder and editor of the journal "Soviet Geography: Review and Translation." He was just finishing a book on the chemical industry in the Soviet Union.

He was born in Berlin. In 1933, with his mother and stepfather, he moved to France to elude the Nazi danger. Five years later, he emigrated to the United States and, in 1940, Mr. Casey enrolled at the City College of New York, where he earned a bachelor's degree in geography.

Mr. Casey was hired by The Times as a copyboy in 1943. He served four stints abroad for The Times: in Paris, until 1961; in Moscow, from 1961 until 1966, and twice more in Moscow between 1971 and 1973. He spoke five languages.

Other deaths:

Bob Stauffer-Tuck, 70, one of Britain's most decorated fighter aces who shot down as many as 35 enemy planes in World War II, Tuesday in Sandwich Bay in southeast England.

Cathryn Damon, 56, who won an Emmy award for playing a loyal wife amid the loony characters on the American television spoof "Soap," of cancer Monday in Los Angeles.

John Piroetti, 75, who drew editorial and sports cartoons for The New York Post from 1965 to 1980, Wednesday in West Chester, Pennsylvania after a long illness.

CONTRA: Secord Says Funds for Nicaraguan Rebels Were Top Priority

(Continued from Page 1)

Americans held in Lebanon, but President Ronald Reagan eventually said that the deal did evolve into such a swap.

Mr. Secord also denied he knew of any diversion of funds from the arms deals for the Contras.

General Secord said he was under constant pressure from Colonel North to send more money to the rebels.

"I was perfectly willing to send money to the Contras," he said.

"But never was I able to send as much as Ollie North thought we should."

He said he ran the Iran arms operation and "not one dime of U.S. money" was involved.

Laying out details of the meetings to arrange the arms deals, General Secord, who first became involved in November 1985, said he met with Mr. Ghorbanifar and an Israeli businessman in Paris in December.

Mr. Ghorbanifar proposed "various sets of arms-for-hostage proposals," according to General Se-

cord, who then met in London on Dec. 8, 1985, with Mr. Ghorbanifar, Mr. McFarlane, Colonel North and some Israelis.

He said Mr. Ghorbanifar referred to the hostages as "boxes."

The meeting, General Secord said, "very quickly degenerated into proposals of U.S. arms for U.S. hostages in Lebanon." He added, "Ghorbanifar pushed that line with Mr. McFarlane for a long time, far too long."

General Secord said Mr. McFarlane was "very unhappy with the meeting" and "committed to not-

ing" at the session. Mr. McFarlane left General Secord with the sense that "the Iranian initiative was dead."

Referring to Colonel North, General Secord said, "He, too, believed it was finished."

The arms sales continued into the fall of 1986 until they were publicly revealed.

General Secord testified at the morning session of the hearings, which recessed at noon. On Tuesday he testified that he ran a multi-million-dollar private arms network for the Contra rebels in Nicaragua with the blessing of the director of the Central Intelligence Agency, William J. Casey, who died Wednesday.

General Secord gave the first public accounting of the secret arms sales to Iran and said \$3.5 million was diverted from those sales to the Contras — much less than had been estimated previously.

He also made it clear he believed he was working with the Reagan administration's approval.

Senator Daniel K. Inouye, Democrat of Hawaii, chairman of the Senate panel, noted Mr. Casey's death in opening the hearings on Wednesday. He said that no matter how the proceedings judge the CIA director, "it should not obscure Mr. Casey's distinguished record of commitment to this country."

U.S. General Presses Pinochet on Elections

By Juan DeOnis
International Herald Tribune

SANTIAGO — Lieutenant General John Galvin, commander of U.S. military forces in Latin America, said here Wednesday that President Augusto Pinochet ought to relax political restrictions and allow democratic elections in Chile.

"Political space here is insufficient now for normal democratic elections," General Galvin said at

an airport press conference at the end of a three-day visit.

General Galvin, who heads the U.S. Southern Command, headquartered in Panama, met with General Pinochet and other prominent military and civilian leaders.

His statement Wednesday reinforced the position of the Reagan administration in favor of an early return to democracy in Chile after 13 years of military rule.

Under the current political plan, a plebiscite will be held to elect an unopposed official nominee for president in 1989.

General Galvin said recent measures such as legal registration of

political parties, opening of new electoral registries, and return of exiles, were "clear, evident" steps toward restoration of democracy.

"But the world and we Americans need a clear sign that Chile is moving toward free elections," he said, "and that symbol for us is opening up the political space so that there can be differences of opinion and some competition in the election."

General Galvin, who will take over as military commander of the North Atlantic Treaty Organization in June, came here at the encouragement of the State Department, U.S. officials said.

MORE NEWS IN LESS TIME THE WORLD IN 18 PAGES DAILY IN THE FIT

WORLD BRIEFS

Thatcher Rebuffs Callaghan

The Associated Press

LONDON — Prime Minister Margaret Thatcher has rejected a request by former Prime Minister James Callaghan for an inquiry into allegations that the British secret service plotted to overthrow a Labor Party government in the 1970s.

Mrs. Thatcher told the House of Commons on Wednesday that the security service director-general, Sir Anthony Duff, had looked into the allegations over the past four months.

"He has given me his personal assurance that the stories are false," Mrs. Thatcher said. Mr. Callaghan said Mrs. Thatcher had missed "a very good opportunity at this moment both to close an unhappy chapter and open a fresh one."

Mr. Callaghan had called for an inquiry into allegations by Peter Wright, a retired officer of the M5 counterespionage agency, that officers in the agency plotted to overthrow Prime Minister Harold Wilson, because they believed he was a Soviet agent. Mr. Wright made the allegations in his published memoirs.

Tories Pledge Tougher Nuclear Policy

LONDON (Reuters) — Britain's Conservative government, preparing for an election in which defense policy will play a key part, said Wednesday that the Soviet Union was still determined to dominate Western Europe and pledged to strengthen Britain's nuclear forces.

The statement appeared in the government's annual defense white paper that details principles of policy and spending projections. It clarified the position that Prime Minister Margaret Thatcher is to take against the Labor Party opposition in a general election expected next month.

The document contained a detailed analysis of the Soviet Union. "Soviet leaders have not yet been prepared clearly to renounce the idea of a global struggle against capitalism," the report concluded. "That struggle continues today."

Sudan Rebels Down Plane, Killing 13

KHARTOUM, Sudan (AP) — Sudanese rebels reported Wednesday that they had shot down a small Sudanese airliner, killing 13 people.

"We shot it down," said Major Dong Aloy, of the Sudan People's Liberation Army. Civil aviation sources said the passengers were all Sudanese. The Dutch Embassy said the Dutch pilot and co-pilot also died in the crash Tuesday. The rebels accused the government of using commercial planes on military missions.

Government sources said Major General Fadallah Burmah Nasir, minister of state for defense, met in emergency session with officials of the aviation department and of the domestic airline that owned the twin-engine Cessna.

Japanese Extremists Claim Murder

TOKYO (NYT) — An ultra-nationalist group, saying it had inflicted "divine punishment," claimed responsibility Wednesday for a shotgun attack in which a Japanese newspaper reporter was killed Sunday night.

"Only capital punishment is left for people who are anti-Japan," the group, which calls itself the Revenge Against Communism Group, said in a letter received by Kyodo, the Japanese news agency. It warned that "we will continue to execute until the death of the last member."

On Sunday night, in a suburb of Osaka, a man wearing a ski mask entered the second-floor offices of the local Asahi Shimbun bureau while three reporters were eating dinner at their desks. Without a word, the assailant fired a shotgun twice, and fled. One journalist was wounded and a second killed.

Shabad Dies; Geographer And Editor

New York Times Service

NEW YORK — Theodore Shabad, 65, who nurtured a childhood fascination for geography into careers in academia and as a correspondent and editor for The New York Times, died of a heart attack Monday.

In recent years, while working on The Times's foreign desk, Mr. Shabad also was an adjunct professor of geography at Columbia University.

Mr. Shabad was a founder and editor of the journal "Soviet Geography: Review and Translation." He was just finishing a book on the chemical industry in the Soviet Union.

He was born in Berlin. In 1933, with his mother and stepfather, he moved to France to elude the Nazi danger. Five years later, he emigrated to the United States and, in 1940, Mr. Shabad enrolled at the City College of New York, where he earned a bachelor's degree in geography.

Mr. Shabad was hired by The Times as a copyboy in 1943. He served four stints abroad for The Times: in Paris, until 1961; in Moscow, from 1961 until 1966, and twice more in Moscow between 1971 and 1973. He spoke five languages.

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John Piroetti, 75, who drew editorial and sports cartoons for The New York Post from 1965 to 1980, Wednesday in West Chester, Pennsylvania after a long illness.

For the Record

Jane Smith, the widow of Michael Smith, co-pilot of the U.S. shuttle Challenger, filed a \$1.5-billion lawsuit Wednesday, charging three defendants with extreme negligence in the shuttle explosion in which he and six other astronauts died. The suit named the U.S. government, the rocket-maker Morton-Thiokol, and Lawrence Mulloy, director of the rocket booster program at the time of the accident in January 1986. (UP)

The managing board of the daily Le Matin, closely linked to France's Socialist Party, filed papers Wednesday with the Commercial Court under bankruptcy laws, the newspaper said. A spokeswoman for the newspaper said Le Matin would continue to publish with a court-appointed administrator overseeing its business affairs. (AP)

TRAVEL UPDATE

Another wave of strikes will hit Greece this week, as civil servants, transport workers, hospitals, banks and schools protest Prime Minister Andreas Papandreu's austerity program. At least 300,000 civil servants are due to go on a 48-hour strike beginning Thursday. Fifteen domestic flights by the Olympic Airways have been canceled, and rail service will be closed down for three hours.

A West German travel agent started a suit Wednesday to defend his right to sell cut-price air tickets. The agent buys tickets in other countries with favorable exchange rates and undercuts his competitors at home. Legal experts said the action in the European Court of Justice in Luxembourg could be a blow to restrictive practices by European Community airlines. (Reuters)

Striking French air controllers forced delays or cancellations of dozens of flights throughout France on Wednesday morning, airline officials said. The controllers plan to halt work again Thursday between 6:30 and 9 A.M. (AP)

HART: Wife Says He Does Not Lie

(Continued from Page 1)

answer," said Representative Robert G. Torricelli, Democrat of New Jersey, a backer of Mr. Hart's presidential bid. "But the facts in this instance are less important than questions of judgment."

"I have real confidence in Gary Hart's character," Mr. Torricelli said. "He was simply foolish in thinking he could be in such circumstances and not have it misconstrued." Mr. Hart's remarks Tuesday, he added, are "simply a single step."

The biggest immediate threat to Mr. Hart was the possibility of defections among his major fund-raisers.

Sharpening Mr. Hart's difficulties, several Democrats said, was his lack of a base of support in the Democratic Party.

"He doesn't have a core constituency that can sustain him," said Robert Shrum, a Democratic consultant. "The problem he's got is that he doesn't have a bottom. If he starts to fall, he keeps falling."

An ABC News Poll taken Monday night suggested that this process might already have started. It found that Mr. Hart had lost about a fifth of his supporters since a survey in March.

In the nationwide poll of 529 adults, including 299 Democrats or independent voters leaning Democratic, two-thirds indicated they were aware of the reports about Mr. Hart and Ms. Rice. The poll had a margin of error of plus or minus 5 percentage points.

The respondents were closely divided over whether The Miami Herald had acted properly in putting Mr. Hart under surveillance. Fifty percent said they believed that the newspaper had gone "too far," while 43 percent said they believed that the private lives of politicians were "fair game" for the press.

In the poll, Mr. Hart still led the Democratic field with 36 percent, to 12 percent for the Reverend Jesse Jackson and 9 percent for Governor Michael S. Dukakis of Massachusetts.

Sartzetakis Visits Portugal

LISBON — The president of Greece, Christos Sartzetakis, arrived in Lisbon on Wednesday for a four-day visit. He was to meet with President Mario Soares and later with Prime Minister Antonio Cavaco Silva.

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Seriously With Surprises

By the first afternoon it had already become clear that the joint investigation into the Iran-contra affair was going to be dead serious and full of surprises. Tuesday morning had been spent giving committee members the opportunity to assert proudly in their opening statements that they were animated by sober rectitude and determined to prevent the intrusion of partisan or personal purpose and so forth and so on. But the afternoon got down to the absolutely riveting testimony of Richard Secord, a retired general who as a private citizen served in effect as chief of staff for the operations that Lieutenant Colonel Oliver North was running out of the National Security Council staff.

General Secord appeared before the committee without asking for immunity. "This administration," he said, immediately dropping a blockbuster, asked him for assistance, gave him to understand that it knew of his conduct and approved it, and then in "panic" disavowed and "betrayed" him and his comrades. The general did not, on Tuesday, have occasion to present full documentation for this charge, but he testified that his mis-

sion of running arms to Iran and then to the contra was undertaken to serve official policy and was conducted in regular and close contact with officers of the U.S. government. He said that he had brought his operational capacity for policy-making will be affected are the questions that lead these congressional hearings took place in the White House.

President Reagan, briefly receiving the press in another context on Tuesday, offered himself as a curious but not especially anxious spectator of events that had somehow unfolded beyond his ken. Whether his manner of detachment will survive the new inquiry and whether his political standing or his capacity for policy-making will be affected are the questions that lead these congressional hearings took place in the White House.

The congressional sponsors of the investigation presented it as a painful but necessary exercise in remedial, democratic truth-seeking. Whatever the final results, it is evident that the public is going to learn a good bit more about events that have already been in the news for six months.

— THE WASHINGTON POST.

A Proper News Story

Gary Hart pleads guilty to bad judgment, the only charge growing out of his weekend encounter with Donna Rice that is indisputably a matter of public concern. He has denied any immorality, and while that may interest some people, it is primarily a matter between Mr. Hart and his conscience.

But there is another judgment to be made as well, on the performance of the news media. Mr. Hart, in his speech in New York on Tuesday to the American Newspaper Publishers Association, attacked The Miami Herald, which published the story that linked him and Ms. Rice. "I hope," he said, challenging the publishers, "you'll ask yourselves some searching questions about what is right and what is truthful."

Mr. Hart was giving voice to attitudes that are widely felt. "Steady scandal-mongering," some say of The Herald sending reporters to stake out Mr. Hart's house. "Invasion of privacy" ... "Sex sells papers" ... "Why can't the media be dignified and stick to important issues?"

Those attitudes gain support from questions about The Herald's coverage. The newspaper now acknowledges that there was a five-hour gap in its surveillance when Ms. Rice might have left Mr. Hart's home undetected. She did not necessarily spend

the night there, as the first story implied. But if the execution was less than perfect, The Herald's pursuit of this story was eminently justified. There is a line between reasonable reporting and intrusive invasion of privacy — and it shines brightly here.

The Herald acted on the basis of information from a confidential source that turned out to be substantially accurate. It did so in a larger context: concerns about "womanizing" that dogged Mr. Hart's candidacy in the 1984 campaign and arose anew last month, in part because of statements by a Hart aide about the candidate's vulnerability on this score.

And that, not philandering, is the issue: whether a leading candidate could overcome behavior that even his supporters described as a damaging vulnerability.

It is not as if some editor said gratuitously, "Let's stake out every candidate's house, or paw through every candidate's trash cans, or train a telephone lens into every candidate's bedroom window." This issue, reflecting centrally on the candidate's judgment and integrity, is one that many, perhaps most journalists would have pursued. Sordid fishing expeditions for scandal are one thing. This story concerns the public interest.

— THE NEW YORK TIMES.

The Misgivings Remain

A letter to The Washington Post appears on the opposite page today from Allan A. Ryan Jr. protesting a Post editorial (1/17, April 24) on Karl Linnaeus, whose prosecution Mr. Ryan supervised. The Post executed a deep unsearch as to how the law operates in such cases. Mr. Linnaeus has been deported as a Nazi war criminal to the Soviet Union, where he faces a death sentence.

Mr. Ryan pounces on our opening claim that the charges against Mr. Linnaeus had not been "proved or even tested in an American courtroom." He notes correctly that there were extensive proceedings to revoke Mr. Linnaeus's citizenship and later to deport him. But he overlooks entirely that our opening claim was by way of introducing the source of our doubt — that only civil trials had been held; that there were no criminal prosecutions. Of the major differences between them, the crucial one is that in a denaturalization or deportation case, jury trial is not available. In a citizenship case, moreover, the judge may draw an adverse inference if the defendant elects not to testify. Mr. Linnaeus so elected and was convicted.

Mr. Ryan implies to us the suggestion, which he denies, that he had offered in evidence the Soviet court's "judgment" of Mr. Linnaeus. But we never came close to

saying that the American proceedings were based on the Soviet judgment. Our point is that those proceedings rested largely on Soviet evidence. This included documents and the videotaped testimony of four Estonians that Justice Department attorneys took while the Soviet prosecutor, who was present throughout, was using what an American judge later called "prejudicial language." Of the four Estonian witnesses, it is reported, the single one who said he actually saw Mr. Linnaeus shoot a prisoner was a former concentration camp guard who changed his story repeatedly and described himself as an outpatient at a psychological hospital.

Mr. Ryan insists that the defendant got the full protection of American due process. He ignores that while the due process that Mr. Linnaeus received supports loss of citizenship and deportation, the effort was to put Mr. Linnaeus into the hands of a Soviet criminal justice system with a very different standard and which had already sentenced the defendant to death. The process Mr. Linnaeus underwent in American courts would not have supported criminal conviction and a death sentence. Our misgivings about this central point are only deepened by the prosecutor's seeming determination to evade it.

— THE WASHINGTON POST.

Other Comment

Headless in South Africa

The election is probably the most important since that of 1948 — when an astonished Field Marshal Smuts was bulldozed out of power and the National Party began 39 years of uninterrupted apartheid rule. For academics, students and business leaders the National Party is no longer a credible avenue to ensure power-sharing and thus Afrikanerdom's survival. And without that credibility it has lost its legitimacy as the political arm of the Afrikaner people. The tribe has lost its political head. President Botha's party will be returned to power, but without the support of the best of its breed. It could be a hollow victory and one that may not endure much before 1989 when white South Africa is once again due to go to the polls. Then once again Mr. Botha, or his successor, will have to counter the threats from Afrikanerdom's left and right with a policy which offers neither separation nor power-sharing, but the bankruptcy of continued repression.

— The Times (London).

Gandhi in a Sea of Trouble

The resignation of three senior ministers within a month, a clash between the prime minister and the head of state over constitu-

tional propriety, two major bribery scandals linked to arms purchases, and the loss of two state governments to the opposition would be enough to shake any government. While a degree of drama is taken for granted by an electorate which has become weary used to political crises, there can be no question of Rajiv Gandhi emerging from this sea of trouble unscathed. This is not to say that his government is collapsing. Mr. Gandhi continues to have an enormous popular following; his majority in Parliament is secure. But for the first time public confidence in his ability to bring about the changes in India which he promised after his huge election victory in 1985 appears to be waning.

— The Independent (London).

Sweden in the Arms Race

Sweden's nonaligned status has given it an independence based on a delicate balance of contradictions. Sweden's position has also made it largely self-reliant in arms. But in recent years Swedish munitions makers have turned increasingly toward selling arms abroad in order to remain self-sustaining. The result is that a country with a deep commitment to exporting peace has become an exporter of war.

— The Journal of Commerce (New York).

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OPINION

Few Seem to Want the Gulf War Stopped

By John K. Cooley

BASRA, Iraq — The crash of shells and the lights of cars crawling cautiously along the western shore of the Shatt al-Arab waterway are the main sounds and sights of war in Basra by night. At first light, the sprawling river port of palm groves, mosquitoes and rusting ships trapped by the war looks like a stage set with the lights slowly being turned up.

The shelling has destroyed thousands of homes. About half a million people have left the Basra district. After nearly seven years of war and some three years of sieges by Iranian forces 10 miles (16 kilometers) away, the Sheraton Hotel, once the city's pride, is pocked and lacerated.

Students and some faculty members at the big new university campus are curious about a visiting Westerner. Does the presence of a "minder" from the Information Ministry in Baghdad inhibit them? Mostly, the young people insist that they will stay in Basra no matter what and finish their studies.

President Saddam Hussein has made clear that he wants those who have fled Basra to return and endure the shelling and hardships. The students endorse this, although without great enthusiasm.

Few young Iraqis can avoid military service, usually lasting three years if they survive. And now we saw in the regular army, and one man and woman from the 300,000-strong People's Army or militia, seemed fairly cheerful, even those lining up impatiently to phone home from a sandbagged telephone center.

In a more comfortable setting back in Baghdad, First Deputy Prime Minister Taha Yasin Ramadan expounds on the inequities of the Reagan administration. "For over a year and a half," he says, "there was an organized conspiracy between Iran, Israel and the United States" to tilt the war against Iraq. He says the high command was able to receive the edge given Iran by U.S.-Israeli deliveries of Hawk anti-aircraft and TOW anti-tank missiles.

Then there was the matter of the "doctored intelligence" he says the



deftly predict that the worst is over. "The war is winding down," the information minister says. "With the quarrelling going on among the top ayatollahs, and our steadfast defenses, Iran is no longer capable of mounting a successful offensive," asserts one official. But most requests to travel north to the Kurdistan mountains, where Iran has reported gains by its own forces and Kurdish allies, are not being granted. Iran complains of new Iraqi attacks (a complaint echoed by Iraq against Iran) with toxic gas on the Basra and Kurdistan fronts.

In Baghdad, not seen by this writer for a decade, the lack of visible signs of war is striking. Before 1980, Iraq's oil wealth — which many Iraqis believe is Tehran's real goal —

like Foreign Minister Tariq Aziz, whose attempted murder by pro-Iranian Shiite extremists in 1980 helped bring on the war with Iran, are well aware of recent big-power efforts to end the war.

As discussed in the UN Security Council and in recent Soviet-U.S. conversations, the move centers on getting Iran to accept UN Resolution 582 of February 1986, which calls for a cease-fire, withdrawal by each belligerent to its borders, and peace talks. Iraq has accepted, Iran demanding Mr. Hussein's downfall and rampant war reparations from Iraq's Arab backers, has not.

On April 27, Jordan's King Hussein and Crown Prince Abdullah of Saudi Arabia hosted a secret meeting between Saddam Hussein and his old adversary President Hafez al-Assad of Syria. That was bad news for Iran, since Syria has been Iran's only serious Arab ally.

A curious combination of Arab and non-Arab states — including Japan, which has huge stakes in Gulf oil and industry — is trying to get both sides to accept an arms embargo, apparently an American idea. Iraq, it is argued here, would be the loser. It has many official government suppliers. France, Britain, the Soviet Union and other powers have official or unofficial arms merchants supplying one or both sides. Thousands of French jobs, for example, hang upon continuing to sell Mirage combat planes to Iraq. Iran relies more largely than Iraq on the greed of private arms merchants, from California to South Korea.

Meanwhile the war rumbles on. The night sky of Basra is lit by the flashes of artillery and rockets to the east. When the sun rises, the coffins atop the taxis and cars moving northward will reveal more victims of a war that too few, aside from those fighting and dying, have really seemed to want to stop.

The writer, an ABC news correspondent based in London, specializes in reporting on the Middle East and North Africa. He contributed this column to the International Herald Tribune.

Around the Tinderbox, a U.S. Base Structure Waits

By John C. Ausland

This is the first of two articles.

OSLO — If ever there was a tinderbox, it is the Gulf area. With Iran and Iraq at war, various regimes uncertain about their futures and the superpowers nervously circling each other, there could be an explosion at any moment.

Ever since Jimmy Carter threw the American mantle of protection over the Gulf in 1980, the Pentagon has been preparing to deploy substantial forces to that area. If this occurs, it would cause the most serious crisis in the American alliance system since World War II. This conclusion emerges from the base structure which the Pentagon has developed for such a contingency.

Last February, in his latest annual report to Congress, Defense Secretary Caspar Weinberger

pressures to get out of Europe could become overwhelming.

listed U.S. interests in the area as preserving access to Gulf oil, deterring Soviet aggression and preserving regional stability. This last phrase means protecting friendly Arab regimes.

The new U.S. Central Command, which has its peacetime headquarters in Florida, is responsible for the area from Egypt to Pakistan. Established in 1983 to replace the Rapid Deployment Force, it would have primary responsibility for conducting any operations in the Gulf area, but several other U.S. unified commands would be involved.

NATO officials do not like to talk about it, but General Bernard Rogers, the commander of U.S. forces in Europe, is also responsible for all African countries except Egypt. The U.S. commander for the Pacific, with headquarters at Pearl Harbor, is responsible for the Indian Ocean.

The Pentagon conducts the exercise "Bright Star" late in every odd year in the Gulf region. These exercises are modest affairs compared to a deployment, which could involve hundreds of thousands of men and a thousand aircraft. Mr. Weinberger noted: "Our objective is to be able to deploy a major joint task force and its required

support within six weeks of being asked for assistance." He made clear that the progress of deployment in a crisis would depend on the willingness of allies to make facilities available. Such facilities stretch from the Azores to the Philippines.

In the 1960s the Pentagon began to develop a base on Diego Garcia in the Indian Ocean. This horseshoe-shaped coral island can now support a carrier task force. There is also equipment on ships for a substantial force of marines. But Diego Garcia is several thousand miles from the Gulf.

After the overthrow of the Shah, the Pentagon had hopes that Egypt would provide a staging ground for any U.S. operations in the Gulf area. It was prepared to spend as much as \$1 billion to develop a base at Ras Banas on the Red Sea.

When the Egyptian government decided that it could not cope with such a large American presence, the Pentagon turned to Oman. Sultan Qaboos bin Said, worried about Soviet activity in South Yemen, agreed to cooperate; his condition was that the Americans keep a low profile. During the 1980s the Pentagon has quietly poured hundreds of millions of dollars into developing facilities in Oman. These include a large air base and other facilities on the island of Masirah, as well as improvement of airfields on the Oman mainland.

Like the Egyptians, the Saudis have been unwilling to have American bases on their soil. However, this has not prevented them from purchasing far more ammunition and spare parts for their F-15 fighters than they need. Saudi AWACS planes would also be of great help in the conduct of any air war in the Gulf area.

The U.S. Navy uses facilities in Somalia and Kenya for port visits and operations by reconnaissance aircraft. It can be presumed that those facilities play a role in Pentagon planning for any deployment of substantial forces to the area.

U.S.-Australian joint facilities, a controversial subject in Australia, could also be used. There is,

Pressures to get out of Europe could become overwhelming.

for example, an important communications facility on Australia's North West Cape. On the other side of the world, U.S. aircraft could land and take off from the air base at Lajes in the Azores. To supplement this, and as a hedge against the possibility that the Portuguese would not agree to the use of the Azores, the Pentagon has been improving bases in Morocco.

Another question mark concerns bases in Turkey and Israel. The Turks have made clear that they would be in no hurry for the United States to use their bases for other than a NATO contingency. A joint U.S.-Israeli political-military group discusses planning, exercises, and positioning of U.S. equipment. Unless there is some movement on the Middle East peace process, however, it is hard to imagine the United States using Israeli bases for a Gulf contingency.

Remarkably, there has been little debate about all this in the U.S. Congress. The committees that review the Pentagon's military construction budget seem to take the base requirements for granted. Their main interest has been whether the Pentagon has agreements that ensure that U.S. forces could use the bases to which it is pouring money.

Within NATO there is considerable skepticism about Pentagon preparations in the Gulf area. The British have held out the hope of some help; last November they conducted a deployment of their rapid strike force to Oman for "Exercise Brave Lion." The French have naval and air units in Djibouti and are active in the Indian Ocean.

Whether allied countries would let the United States use their bases would depend partly on the events that prompted a U.S. deployment and partly on how Washington conducted its consultations. Since the Pentagon cannot predict how events will unfold, it is making its plans on the assumption that America may have to go it alone.

But if American soldiers and sailors started dying in the Gulf, Americans would begin to ask where their allies were. If they would not make bases available, the pressures to get out of Europe could become overwhelming.

International Herald Tribune.

Media people insist that truth is what they are after, but they know that it is not truth that makes them stars. It is drama. The dull truth is not news. The dramatic half-truth is news. And the drama of an allegation is directly proportional to two things: the prominence of the target and the seriousness of the allegation or insinuation.

Those committee members who are after the president's scalp are the ones most useful to the building of such stories, and therefore they are the ones who are lionized. Committee members know this; it is one of the pressures they are under.

Watergate worked one of the swiftest, most miraculous image transformations in American history. Sam Ervin, senator from North Carolina, was vilified for years as a Neanderthal racist. But once he got Richard Nixon in his sights, he was hailed as the greatest constitutional orator since Chief Justice John Marshall. His down-home demagoguery set a new political fashion; at the Senate committee hearings his every comment was greeted by applause from a cheering gallery.

In Washington today, whole armies of people are panning for a Watergate replay. A lot of them have notebooks and cameras. If they can on the public into taking their morality play seriously, they can do enormous damage.

One cost of the Watergate hysteria was that some 25 million people in Southeast Asia lost their freedom and more than 2 million lost their lives. If the current investigation builds into a comparable vendetta, the likely immediate cost will be Central America. That is a heavy price to pay for making a few reporters superstars and helping a few politicians to higher office.

The investigating committees have a responsibility to search out the truth. The media have a responsibility to present the truth. That is precisely the standard to which they need to be rigorously and vigorously held. This time, for a change, only the truth.

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The Demands of Ethnic Minorities Won't Go Away

By Charles William Maynes

WASHINGTON — Ethnic massacres in Sri Lanka reflect a problem for an increasing number of countries, democratic and nondemocratic, large and small, Western and developing: the mounting demands of minorities for their rights. We may be moving into a time of troubles for established governments everywhere unless they can devise ways to address minority concerns.

In Sri Lanka, as in most other parts of the globe, world attention is drawn to outrageous measures carried out by the minority, whose agents are sometimes fairly and sometimes unfairly denounced as terrorists. Less attention is paid to equally outrageous measures carried out by the majority, whose agents have the more acceptable title of army or police.

The 1986 Amnesty International report on Sri Lanka puts matters into a more balanced perspective. The report records "arbitrary killings of many hundreds of noncombatant Tamils by government security forces in northern and eastern Sri Lanka."

Some news media seem to have a double standard in covering such troubles. When security forces kill noncombatants, it is not news. When minority Tamils are equally reprehensible, it is a front-page story.

The double standard operates elsewhere. Turkey's protest over Bulgarian efforts to repress its Turkish minority is in recent years Swedish munitions makers have turned increasingly toward selling arms abroad in order to remain self-sustaining. The result is that a country with a deep commitment to exporting peace has become an exporter of war.

— The Journal of Commerce (New York).

ica are rising up — witness the violence of Peru's Sendero Luminoso guerrillas. In the Middle East, ethnically or religiously diverse states such as Egypt, Israel, Lebanon and Syria suffer from civil wars.

Can anything be done about the destabilizing tensions that bad relations between majorities and minorities may create? We might try learning from the past. The international system had better arrangements for handling minority problems after World War I than today.

Special provisions were made in the treaties signed by Poland, Lithuania and Greece for the protection of the religious rights of Jews. Similar provisions in treaties with Albania, Greece and Yugoslavia protected Muslim minorities. The Treaty of Sevres had provided autonomy for the Kurds, but it was never ratified. A German-Polish convention in 1922 protected the rights of German and Polish minorities in Upper Silesia.

The League of Nations then worked out procedures for considering minority issues covered by the various postwar treaties. Complaints were discussed by neutral members of the league's minorities committee. The aim was to find redress through a disinterested party by conciliation and discussion rather than through judgment and sanction.

There were problems. The countries whose minorities were protected by treaty resented this special status and contended that all countries with minorities should be covered. But progress was made, and for some time the international community had an institutional framework for addressing minorities' problems.

Now the communications revolu-

tion heightens the political consciousness of minorities everywhere. An emphasis on individual rights does not satisfy them. The demand of many is precisely that they not be homogenized. They assert dignity through their own languages and cultures.

The international community must try to do at least as well as the League of Nations in dealing with the problem. Otherwise, as in Sri Lanka, the world will continue to watch and be horrified by a seemingly inexplicable cycle of repression and revolt.

The writer is the editor of Foreign Policy magazine. He contributed this column to the Los Angeles Times.

Today's world should try to cope at least as well as the League of Nations.

IN OUR PAGES, 75 AND 50 YEARS AGO

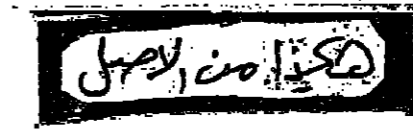
1912: Maritime Safety

WASHINGTON — The House of Representatives has unanimously passed a bill requesting the President to invite the maritime nations to a conference in Washington to consider the enactment of uniform laws to ensure greater security of life and property on merchant vessels at sea. The bill appropriates \$300,000 to equip all army transports with enough lifeboats and rafts to accommodate every passenger and all the crew.

BERLIN — Dr. Delbrück, Under-Secretary of State for the Interior, has opened a conference for assuring the safe navigation of steamships. It was reported that the regulations of the German merchant marine required that ships should be so constructed that they would continue to float even if two compartments were flooded. It was pointed out that the conditions under which the Titanic went down were exceptional.

1937: Hindenburg Burns

LAKENHURST, N.J. — Thirty-three persons were reported killed here on May 6 when the German dirigible Hindenburg, the world's largest airship, burst into flames as it was nearing its mooring mast and nose, carrying 97 persons to the ground in a mass of twisted, blazing wreckage. At 10:00 p.m. the naval air station here officially announced that sixty-four persons, many of them children, had survived. The crash occurred at the conclusion of the Hindenburg's first trans-Atlantic crossing of the season and the twenty-first of its career. Arriving thirteen hours late after battling headwinds over the Atlantic, the Hindenburg had been cruising about for an hour in a severe electric storm, waiting for more favorable weather. Because a crowd was waiting below, it was believed that people on the ground were on board may have been killed.



OPINION

Hart: Poor Judgment Seen in Bad Focus

By Tom Wicker

NEW YORK — Was it bad judgment for Gary Hart, a presidential candidate already rumored to be a "womanizer," to conduct himself in such a way that he might appear to have spent a night with a woman who was not his wife? Of course it was.

Is the question of his judgment in this instance a matter on which the American people ought to decide whether he should be president? Of course not. "Judgment" is an overall and nearly intangible quality that does not rest on one misjudged decision, one mistake or one moment of thoughtlessness. Many a person of excellent general judgment has been guilty of all of the above.

A president who visits a Nazi SS graveyard, or a candidate who confesses to "lust in my heart," does not always and invariably lack good judgment. There is plenty of time between now and November 1988, taking into account Gary Hart's record of public service, to decide whether he is a man of reliable judgment.

The furor over the Hart incident is not really about his judgment, anyway. It is about his alleged sexual behavior. Nor is press and public interest in this story limited to the question of Mr. Hart's discretion, or lack of it. It is mostly focused on what he did or did not do with a beautiful young woman from Miami.

Is that, then, an issue on which the voters ought to decide whether Mr. Hart should be president? Perhaps, if they think that he and she are lying when they say that nothing sexual happened. Lying to the people, whether about raising hostages with arms sales or about sexual liaisons, would be sufficient grounds for many Americans to oppose a president or anyone who wants to be president.

It is unlikely, judging by the few known facts, that anyone will be able to prove that Mr. Hart or Donna Rice is lying. And if no one can prove it, many Americans will be charitable or fair-minded enough to give Mr. Hart the benefit of the doubt — even considering past questions about his age and name change.

The surveillance imposed on Mr. Hart by The Miami Herald was not, after all, infallible; and many innocent Americans, if "staked out" by hidden watchers, might appear to be doing something they shouldn't. It is true that Americans are entitled to know everything relevant about those who seek the White House, but that does not make secret spying or eavesdropping — in search not of

criminality but in hopes of sexual revelation — permissible in a decent society. Nor are the apparent fruits of such distasteful surveillance necessarily valid. A number of press executives, when questioned about the propriety, if any, of The Herald's stakeout at Gary Hart's house, pointed out that in the past reporters would tacitly ignore drunkenness or sexual peccadilloes by public figures. But now, they add, with an air of righteousness, the press doesn't do that anymore. Indeed not, and it shouldn't; but that is a long way from justifying secret surveillance, stakeouts and spying, even on a presidential candidate.

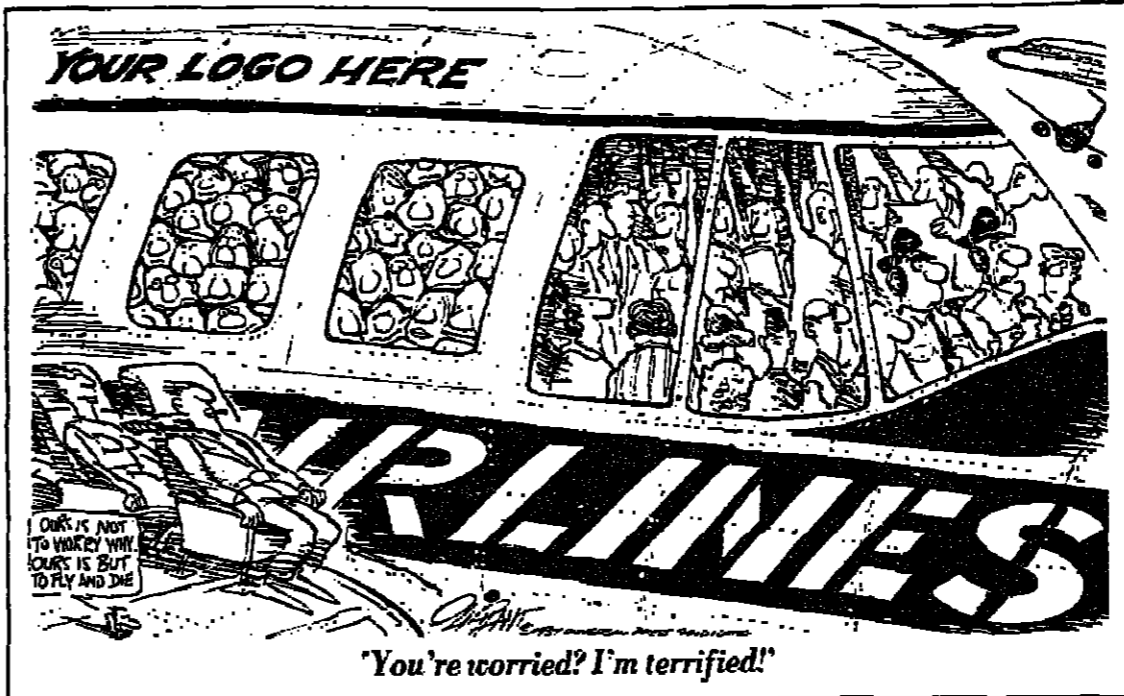
Suppose, moreover, that Mr. Hart did have a sexual relationship with another woman, was discovered and admitted it? Would that necessarily disqualify him for the White House? Many Americans would say yes, and would have a right to vote accordingly on that conviction.

Others might feel that private relations

ships are private, or should be, and may exist for reasons neither visible nor reprehensible; or that other considerations, in any case, far outweigh private acts that some consider unseemly or immoral. It is not apparent to me, for example, that the moral leadership and worldwide impact of Martin Luther King were diluted by his private life. Nor is it apparent that the private life of Gary Hart, whatever it may be, is more important or relevant to the choice the voters will make next year than his views on arms control, the economy, international trade and competition, his general competence and experience, or any number of other issues of real magnitude.

Yet the minute Mr. Hart turned to such issues in his speech to the American Society of Newspaper Editors, the Cable News Network cut him off the air. That may be smart "news judgment" but it is the wrong focus, and one shared by too many newspapers and broadcasters that preen themselves on public service.

The New York Times



Gloomy Circle In the Atrium

By Melissa Wanamaker

NEW YORK — On a recent Saturday afternoon, I went with fellow photographers to shoot pictures of indoor atriums that major corporations have built in their New York lobbies. We went to the IBM building, the Citicorp Center and the Park Avenue Plaza. For the urban stroller, they offer a delightful bit of country greenery. Many have kiosks for coffee and cake, which can be enjoyed at tables set among the

MEANWHILE

bamboo or ficus trees. An air of quiet civility permeates the scene.

But something unsettling is going on. Here and there among the silent trees are the homeless, mostly men, who have found a place of rest away from the streets with their dangers and cold.

On weekdays at the Park Avenue Plaza, the homeless are sequestered on either side of a large waterfall that dominates the center of the atrium. At the base of its rushing waters, well-dressed patrons may enjoy lunch or tea at tables set with pink tablecloths. On weekends, however, the cafe is closed. Suddenly, in the general gloom, one sees among the shadows crumpled heaps of human figures lying face downward on the gleaming tabletops. In darker corners, open mouths of sleeping men gape. Others stare vacantly. Little groups of men, as if engaged in a gentle game of cards, share a package of crackers and peanut butter. They talk quietly and squint suspiciously as I approach. Others tell me to leave or they will smash my camera.

Why am I so drawn to the horror of this garden, to the realization that these are human bodies among the shadows of this glade? Is it the sudden shock of altered expectations? Yes, but am I not also reminded of the "horror" of a materialistic society that Joseph Conrad confronted so hauntingly in "The Heart of Darkness": "My purpose," says his narrator, "was to stroll into the shade for a moment; but no sooner within it than it seemed to me that I had stepped into the gloomy circle of some Inferno."

In the corporate atrium, too, "black shapes crouched, lay, sat... clinging to the earth, half coming out, half effaced within the dim light, in all the attitudes of pain, abandonment and despair."

I know that high above the atrium's "gloomy circle" are the resplendent offices of rich investment banking houses. In other times, I have been in these offices, and sat in the private sitting rooms of managing directors, where the sofas are Chippendale and the walls are lined with row upon row of brass plaques commemorating innumerable deals.

The writer runs an investor relations consulting firm. She contributed this comment to The New York Times.

LETTERS TO THE EDITOR

Linnaas Had the Benefit of Due Process

As director of the Office of Special Investigations in the Justice Department from 1980 to 1983, I supervised the prosecution of Karl Linnaas. The Washington Post's editorial "Was Justice Done?" (HT, April 24) contains stunning misstatements of fact, reflecting the writer's ignorance of both the facts and the law. The facts are these: In 1961, a Soviet proceeding of some sort led to a finding that Mr. Linnaas, then in the United States, was guilty of Nazi crimes. He was sentenced to death, in absentia. In 1979, the U.S. Justice Department undertook an investigation of him, which led to the filing of charges in the U.S. District Court in New York that Mr. Linnaas had been commandant of the concentration camp in Tartu and in that role had supervised the mass murder of innocent Jews under Nazi authority.

In 1981 the federal court held a trial, lasting three weeks, at which it heard evidence and examined documents — not one of which was the 1961 Soviet decree — and following which it concluded that Mr. Linnaas was responsible "beyond a reasonable doubt" for the mass murders. It revoked his naturalized citizenship because he had entered the United States illegally. This verdict was upheld on appeal, and was followed by deportation proceedings that led to his deportation.

Thus the editorial's statement that "the charges against Karl Linnaas have not been proved or even tested in an American courtroom" is flatly wrong. The charges were written by American prosecutors and tried before an American judge in an American courtroom under American procedures. We built

This letter appeared in The Washington Post. An editorial reply on the facing page.

protection of our criminal justice system affecting the reliability or accuracy of the fact-finding process that was not extended to Mr. Linnaas in this case.

The editorial also states that Mr. Linnaas did not "testify or even attend" the trial and that the "witnesses were not cross-examined." The fact is that Mr. Linnaas refused to testify; he boycotted the trial, and he refused to allow his lawyer to cross-examine the witnesses. Some of the witnesses were examined in Estonia by U.S. Justice Department prosecutors; had Mr. Linnaas's attorney chosen to attend, at U.S. government expense, he could have cross-examined them there, as well as the witnesses who appeared in New York — one of whom, a New York neighbor of Mr. Linnaas, testified that Mr. Linnaas had admitted to him that he had been at the Tartu concentration camp.

The fundamental fact is that Mr. Linnaas's conviction in a Soviet courtroom was utterly irrelevant to the American proceedings and played no part whatever in the seven years of hearings and appeals that led to his deportation. Those hearings were based entirely on independently gathered, and independently proved, evidence, which Mr. Linnaas, for reasons of his own, chose not to challenge. The statement that "Justice Department attorneys are confident Mr. Linnaas would be convicted even in an American courtroom" is sophistry. If conviction means a finding that, beyond a reasonable doubt, Mr. Linnaas engaged in mass murder, then he was convicted in an American courtroom. The consequence was denaturalization, and ultimately deportation, rather than imprisonment, but the trial itself reflected the highest standards of American criminal justice.

A. RYAN Jr. Cambridge, Massachusetts

The Contras Are Different

The report "Iran-Contra Hearings: A Test Near for the President" (May 4) asserts that Robert McFarlane "has given differing versions of events," but this is not supported by the examples cited. If Mr. McFarlane denied in writing any National Security Council involvement with fund-raising for the "Nicaraguan democratic opposition" at a time when Lieutenant Colonel Oliver North was up to his neck in fund-raising for the contras, he simply, chose his words carefully. There is a "Nicaraguan opposition." The "contras" are something else.

JOHN V. WHITEBCK Paris

Canada Makes Seven

I found your Special Report on West Germany (March 31) particularly interesting. I was surprised, however, to find in the article "Economy Is Caught in Social Net" a reference to the Group of Seven as consisting of Britain, France, Italy, Japan, West Germany and the United States. I realize that Canada does not receive a great deal of attention in Europe, but this is overlooking it.

HELMUTH MACH. Edmonton, Alberta.

What's It to Do With Beer?

I am writing to complain about the recent Tuborg beer advertisements that have appeared in the International Herald Tribune. The photography focuses primarily on women's bodies and only secondarily on the object for sale, the beer. This, of course, objectifies womanhood and helps to reinforce certain unhealthy attitudes within society. It is an old advertising routine that Tuborg is

applying here, but times have changed, making this technique not effective but offensive. I also think it lessens the quality of a really outstanding newspaper.

CHRISTOPHER ZAPPALA Winchester, Mass.

More of the Same

Much has been written recently about surrogate motherhood in general and Baby M in particular. May I add that an exceptional desire to perpetuate one's bloodline is an incipient form of racism.

BRUCE WALLACE Tubingen, West Germany.

Numbers on the Wrist

I read that certain people want AIDS victims to carry special identity cards. Why not propose tattooing numbers on wrists and get it over with. That's what they really want. Here we go again.

PETER ADAMS Paris.

Fancy and Imported

The lament of humorist Russell Baker (April 24) about the proliferating use of non-U.S.-made items was conspicuous for the omission of Mr. Baker's tools of the trade: the English language.

F. MONTROSE St. Sulpice, Switzerland.

Letters intended for publication should be addressed "Letters to the Editor" and contain the writer's signature, name and full address. Letters should be brief and are subject to editing. We cannot be responsible for the return of unsolicited manuscripts.

The Voters Need to Know

SO long as primary elections, and therefore the votes of citizens, matter as much as they presently do, the only hope of achieving informed choices is by means of publicly available information. Thus it may be regrettable but it is understandable that journalists are leaning toward disclosure and away from the protection of candidates' private lives.

Nelson W. Polak, a professor at Harvard. In The New York Times.

A Centennial Message from the International Herald Tribune

NOTES ON A CENTURY How World War I Transformed A Publisher Into a Reporter



The Herald's headlines of September 11, 1914, reported the continuing battle of the Marne taking place a short distance from Paris.

ing for someone to translate for them. At the Herald offices, staff drained away. Many journalists (French and English both) and printers were mobilized to join the armed forces. Some fled to safer locations. A strong supporter of the Allied war effort, Herald publisher James Gordon Bennett Jr. promised to pay full wages to the wife of any employee enlisting in the military.

Finally, the Herald faced the decision of whether or not to follow other Paris newspapers to Bordeaux. It was one of the major challenges in the life of the millionaire publisher. He faced it decisively. "The paper comes out," he declared. And removing his gold cufflinks and rolling up the sleeves of his tailor-made shirt, he plunged personally into the job of publishing the paper. Reporting, editing, typesetting, he was ready to get the Herald out single-handedly if need be. "Just doing legwork," he explained to a friend. And his enthusiasm generated support.

A good thing too, since the problems kept coming. One night, just as the presses were ready to roll,

the French distributors informed the Herald that all cars, trucks and other vehicles regularly used for newspaper distribution had been requisitioned to the government in Bordeaux. There seemed no hope of getting the paper onto the newsstands. Bennett didn't flinch. There was the horse, wasn't there? And bicycles. Anything that could move was pressed into service. In the end, his paper was on the stands every day throughout the war.

In its editorial pages during World War I, the Herald campaigned vigorously for American participation in the conflict. It was with banners, big headlines and photos that the paper's July 1, 1917 issue welcomed the arrival of the first American fighting troops in France. And the doughboys in turn welcomed the English-language Herald. It spoke their language.

Almost immediately, circulation began to rise spectacularly. Where the paper had been selling 6,000 to 10,000 copies a day, it was soon selling 200,000 copies, then

300,000, up to a peak of 350,000 copies per day. Also, and almost unnoticed at first, came another phenomenon; for the first time in its history, the paper was turning a profit. Inevitably, the question was put to Bennett: What should be done with the money that was rolling in? Bennett replied, impatiently, that he was far too busy with journalism to fiddle with money. Put it in the bank, said he. And in the bank it stayed.

Bennett died on May 14, 1918, as the war neared its end. After the war, when the New York Herald and its Paris offspring were sold to the American Frank Munsey, it was thought by some that Munsey had acquired the paper solely for its Paris assets of several million dollars. Oddly enough, Munsey didn't know about the money. In the excitement and flurry of the times, the wartime windfall had been virtually forgotten.

This is the fifteenth in a series of messages about the IHT which will appear throughout the Centennial year.



Next week marks the 146th anniversary of the birth of James Gordon Bennett Jr., founder of this newspaper a century ago, and also the 69th anniversary of his death. One of his finest moments is described in today's Centennial column.

By Virginia Vittoz Imagine people clustering around newsstands of foreign newspapers in an unfamiliar language. Anxiously, insistently, they ask others around them: "What does it say? What does it mean? Monsieur, can you please translate this English for me?"

This was the late summer of 1914, and that newspaper was the Paris Herald, still on sale in a city from which most French newspapers had fled. Scenes like this took place not just at one newsstand but at many kiosks in the city. During the battle of the Marne, French poilus in horizon-blue uniforms barked German troops in *feldgrau* as close as 15 miles to the northeast of Paris. Artillery fire — including shells fired by the famous Big Bertha — shook the city. Yet many of the beleaguered Parisians lingering in the half-deserted city barely knew what was happening.

Why? Because as German armies marched toward the gates of Paris, the French government moved to Bordeaux and most French newspapers followed. That left the Paris edition of the New York Herald Tribune, then just 30 years old, as the only newspaper available for many Parisians. Unfortunately, it was an English-language newspaper and thus something of a mystery to them. (Its one French page was not visible on the newsstands.) So many Parisians gathered around newsstands or went to the Herald offices, wait-

Thailand to Buy Tanks, Other Arms from China In a \$10-Million Deal

By Michael Richardson
International Herald Tribune
SINGAPORE — Thai officials are in Beijing to buy battle tanks, anti-aircraft guns and ammunition from China in a deal that will reduce Thai reliance on the United States and Europe for arms supplies.

Western officials in Bangkok said Wednesday they understood that a Thai negotiating team in Beijing had agreed in principle to buy 30 T-69 battle tanks for immediate delivery, with an option to buy 70 more.

Southeast Asian analysts said most of the weaponry would be used to buttress Thailand's defenses along its border with Cambodia, where Thai forces frequently have clashed with Vietnamese troops.

The analysts said Thai commanders had long been seeking an enhanced capacity to strike back at alleged intrusions into Thailand from Cambodia.

They said the arms deal would mark a significant upgrading of the security relationship between Thailand and China, strengthening their cooperation in opposing Vietnam's military occupation of Cambodia.

Vietnamese and allied Cambodian troops are equipped primarily with Soviet weapons, including tanks and artillery similar to what Thailand is buying from China.

Thai newspapers quoted General Chaovalit Yongchaiyut, the supreme Thai military commander, as saying that he had been authorized by the cabinet to sign an agreement with China for the purchase of 30 tanks, anti-aircraft guns and ammunition worth about \$10 million.

General Chaovalit returned to Bangkok from Beijing over the weekend, leaving behind a team of officers to conclude the deal.

Western officials said the prices offered by China, which in recent years has emerged as a significant seller of reliable low-cost arms to Third World countries, were much lower than prices for comparable equipment offered by the United States and Europe. Payment terms also were more generous, the officials added.

One official said that in addition to tanks, anti-aircraft guns and ammunition, the Thai Army was interested in buying Chinese HN-5 portable heat-seeking anti-aircraft

missiles, 130-millimeter (five-inch) long-range artillery and armored personnel carriers.

He said the Thai Air Force might place a separate order for a substantial number of the twin-barrel, mounted anti-aircraft guns.

Another Western official said Bangkok's decision to buy China's main battle tank meant that it would not accept a U.S. offer to refurbish older U.S. M-41 tanks.

Thailand has 300 M-41's, most of them no longer in service. Its main force of combat armor comprises 65 advanced U.S. M-3A5 tanks and 150 British Scorpion light tanks.

Thailand, an ally of the United States and Britain in a long-standing defense pact covering Thailand and the Philippines, has equipped its armed forces until now mainly with U.S. and West European hardware.

Sukhumbhand Paribatra, a specialist on regional security at Chulalongkorn University, said that he believed the Thai armed forces would continue to look to the West for advanced weaponry, such as jet fighters, submarines and surveillance aircraft, which China could not provide.

A Thai request for 40 more M-3A5 tanks, at an estimated cost of \$47 million, is awaiting approval by the U.S. Congress. But Congress cut military aid to Thailand in half, to about \$50 million, for the 1987 fiscal year.

In the past, most U.S. military aid has financed arms sales and analysts said the recent sharp reduction had contributed to the Thai decision to seek Chinese armor, field guns and missiles.

A Western official in Bangkok said Thailand had turned to China because it wanted to keep a tight rein on defense spending and diversify its arms sources. But he said Thailand would not allow itself to become dependent on Beijing.

In Jakarta, however, a source familiar with Indonesian government and military thinking said Thailand's arms deal with China had caused concern.

Indonesia, a partner of Thailand in the Association of South East Asian Nations, is wary of Chinese intentions in the region. Analysts said Indonesian concerns were shared by Malaysia, another member of ASEAN.



Two Libyan agents posing as businessmen caused a security scare at the hotel of Vernon A. Walters, the U.S. special envoy, in Vila last week. The Daily Mirror of Sidney reported. Barak Sope, a Vanuatu ruling-party leader, left, escorted Mr. Walters to his plane April 28.

Vanuatu to Eject Libyan Envoys Prime Minister, Citing Breach of Protocol, Bars Mission

By Nicholas D. Kristof
New York Times Service
VILA, Vanuatu — The prime minister of this South Pacific nation has said that two Libyans who arrived to open an embassy would be sent away.

Prime Minister Walter Lini said in an interview Tuesday that because the Libyans had arrived unannounced they would not be permitted to open a Libyan mission or to see government officials.

The statement followed highly publicized allegations in Australia that Libya was trying to turn Vanuatu into a base from which it would seek to destabilize the South Pacific.

Though they have provided no evidence, Australian officials have said that Libya is providing training, money, arms and political support for radical elements in Vanuatu's ruling party. Australia's foreign minister, Bill Hayden, flew to New Zealand on short notice Friday to discuss the matter with Prime Minister David Lange of New Zealand.

Vanuatu, which was known as the New Hebrides until it received

independence from joint British-French control in 1980, is the only country in the region to belong to the Nonaligned Movement and to give landing rights to Soviet fishermen.

Libya had been expected to open a people's bureau, or embassy, after Vanuatu's government reportedly made a statement that it was welcome to do so. The two Libyans apparently arrived to set up the embassy in this capital of about 15,000.

However, both Mr. Lini and Foreign Minister Sela Molisa said Tuesday in separate interviews that the Libyans had arrived without formally requesting permission to open an embassy. Because of this breach of protocol, the Libyans will be sent away, Mr. Lini said in an interview in his home.

Both Mr. Lini and Mr. Sela said they did not know what the Libyans had been doing in their 10 days in Vila, or when they would leave. One of the Libyans, who would identify himself only as Marwan, refused to discuss the situation when reached by telephone.

Mr. Lini said that if the Libyans left the region and followed proto-

col, he expected that approval would be granted to open an embassy.

The statement was a surprise, although political analysts here had wondered about the delay in opening the embassy. The only nations that maintain missions in Vila are Australia, Britain and France.

Although the Libyans will not be allowed to meet with government officials, they have met several times with Barak Sope, the secretary-general of the ruling party, Mr. Lini said. Mr. Sope appears to be the architect of the link with Libya.

Mr. Lini made it clear that Vanuatu's relationship with Libya would continue. He said that he hoped to send some policemen to Libya for training.

The interview was the first that he had given in Vanuatu since he had suffered a stroke while visiting Washington in early February. He has remained in his home since his return and has not seen diplomats, tribal chiefs or government officials.

Mr. Lini spoke clearly but had difficulty using his right arm and walked very slowly.

Jewish Congress, in Budapest Talks, Heralds U.S. Action on Waldheim

The Associated Press
BUDAPEST — The World Jewish Congress on Wednesday opened its first meeting in the Soviet bloc by applauding U.S. action to bar President Kurt Waldheim of Austria. But the group's president said the time had come for reconciliation with Austrians.

In opening remarks to 90 delegates from 92 nations, the organization's president, Edgar M. Bronfman, said as many as 14,000 Soviet Jews might be permitted to emigrate this year.

Mr. Bronfman, who visited Moscow in March for talks with Soviet officials, gave no details. He said later, in an interview with six reporters selected by the Jewish Congress, that his group is strongly interested in encouraging Jewish culture inside the Soviet Union.

Soviet authorities have impounded some Jewish and Hebrew religious and other literature brought into the country by foreign visitors, and jailed activists who gave private Hebrew lessons.

Elan Steinberg, the executive director of the Jewish Congress, said Moscow had agreed to review a list of religious and other Jewish publications that might be brought to Soviet Jews. The review is already under way, he said.

The group began a two-day executive meeting at the Hilton Hotel in Budapest by passing a brief resolution congratulating the U.S. attorney general, Edwin Meese 3d, for placing Mr. Waldheim on a list of foreigners barred from entering the United States.

The U.S. Justice Department said it has evidence linking Mr. Waldheim to atrocities against Greek Jews and Yugoslav partisans while he served in the German army in the Balkans in World War II. Mr. Waldheim has denied any wrongdoing and has said he will file suit in the U.S. for what he calls "outrageous defamations" against him.

Mr. Bronfman told reporters that if Mr. Waldheim "would like to sue me, I'd be perfectly happy to go to Austria and let him sue me there."

The Jewish group's resolution, approved without objection, seemed intended to resolve a controversy created when a West German delegate, Werner Nachmann, said he was telling the Hamburg newspaper Welt am Sonntag that he wanted the Jewish Congress to disclose evidence for its allegation that Mr. Waldheim participated in Nazi crimes.

Israel Singer, the secretary-gen-

eral of the Jewish Congress, indicated that he considers the controversy closed because Mr. Nachmann did not object to the resolution.

Mr. Bronfman seemed eager to stress that the World Jewish Congress is reconciliation with the Austrian people, he said. "It's over as far as we are concerned."

Hungary is the first European country to invite Mr. Waldheim to visit since he took office last July. He will make his first state visit abroad, to Jordan, in July.

Mr. Bronfman said he had just

come from a 40-minute meeting with Hungary's foreign minister, Peter Varonkanyi, and had "assured him that the next item on the agenda of the World Jewish Congress is reconciliation with the Austrian people," he said. "It's over as far as we are concerned."

Hungary is the first European country to invite Mr. Waldheim to visit since he took office last July. He will make his first state visit abroad, to Jordan, in July.

Mr. Bronfman said he had just

Israel Raids Palestinians In Reprisal for Attacks

Reuters
TEL AVIV — Israeli aircraft struck at Palestinian targets in Lebanon early Wednesday as Katyusha rockets fired from Lebanon hit northern Israel, military sources said.

Israel's 14th air raid on Lebanon this year hit targets in the Ain al Helweh refugee camp, south of the port city of Sidon. The raid demolished 50 houses, killing at least seven persons and wounding 28, according to security sources in Lebanon.

Palestinian sources said eight civilians were killed and 34 were wounded, while radios put the death toll as high as 20.

An Israeli Army spokesman said the raid was aimed at "terrorist headquarters" from which strikes had been launched against Israel.

All planes returned safely to base, he said.

Military sources said that Soviet-designed Katyusha rockets were fired from beyond the area Israel has declared a "security zone" in southern Lebanon. But they caused no damage or injuries when they landed in northern Galilee, the sources said.

The air raid, the second in a week, followed a pattern of increased attacks on Palestinian targets in the Sidon area since three guerrillas infiltrated Israel's northern border last month, killing two Israeli soldiers.

Lebanese radio reports monitored in Tel Aviv said the Israeli planes hit positions belonging to el-Fatah, the largest guerrilla group in the Palestine Liberation Organization, and the Democratic Front for the Liberation of Palestine. The front is backed by Syria.

Shamir Asks Jordan to Talk

Reuters
TEL AVIV — Prime Minister Yitzhak Shamir, in an attempt to ease a deepening government crisis, issued a fresh appeal to Jordan on Wednesday to negotiate directly with Israel instead of insisting on a Middle East peace conference.

"We have one request for Jordan," he said on the Israeli Army radio. "Come to direct negotiations with us. If you say an international conference will only be a start which will immediately turn into direct negotiations, then come to direct negotiations."

Foreign Minister Shimon Peres, Mr. Shamir's main partner in the

national unity government, is working toward a UN-sponsored peace conference. His aides say he has an understanding with Jordan, Egypt and the United States on terms for the meeting.

Jordan has denied reaching any understanding with Israel but has announced terms for participation in peace talks that seem close to the conditions set by Mr. Peres.

Mr. Peres said Tuesday night that his Labor Party would leave the coalition unless Mr. Shamir and his rightist Likud Bloc dropped their opposition to a conference.

HERAT: In a Dusty Afghan City, Scars of Battle Show

(Continued from Page 1)
10 percent of the 500 patients they treat each week have war wounds. Later the figure is said to be much smaller because "in these days security is good." A surgeon said there are perhaps 10 cases a week, mostly from the countryside, as compared with 20 two or three years ago.

Two boys lying in fly-infested wards tell of wounds received in attacks by the guerrillas. Ghous Mohammed, a 12-year-old boy from a village about 20 miles from Herat, said he and his brother were wounded in the legs and another boy was killed when a mortar shell hit the roof of their house while they were playing.

There are other anomalies in Herat, a city caught in a guerrilla war. Government officials driving to an ancient monastery and shrine on the edge of the town said everything has been secure for two years, yet they cannot drive to another site because the road has been mined for the same time period and has not been cleared.

For all the talk of war, it is peace that is foremost in the minds of government officials, especially the effort to draw the millions of Afghans who have fled back to their homeland under the national reconciliation program announced in January.

Recent public announcements put the number who have returned at 44,000, a fraction of the 3.5 million to 4 million who are believed to be in Pakistan and Iran. But General Mashooq Wahab, deputy minister of internal affairs, said during a tour of a refugee center in Herat that "things are picking up."

"If Iran and Pakistan didn't prevent people from coming, there would be more," he said.

Mr. Sepoy said 4,000 people have returned from Iran in the past four months in family groups and 780 have returned as individuals.

(In Kabul, the government approved a measure on Tuesday to exempt returning exiles from certain taxes. Reuters reported, citing the official Bakhtar News Agency.)

Sitting in a crowded room in a hotel taken over to house returning refugees, Barat Ali talked of the difficulty of life in Iran. He and three others in the small room all had come from Tehran.

"We were just surviving there," he said, telling of poor pay and high prices the Afghans endured in the Iranian capital. "Others will come because they are tired, hungry and jobless."

Waiting on the tarmac at Herat airport to board a Soviet military transport plane for a trip to Kabul, Babram Ali said he had come from

Mashhad a week ago when he had heard of the national reconciliation announcement. He, too, said he believed others would respond.

Other longtime residents were more skeptical.

"They are coming and they are going," said one. "It has been that way with that border for a long time."



Denis Worrall, an independent candidate, voting in Cape Town on Wednesday in South Africa's general election. His opponent is Chris Heunis, a member of the cabinet.

ELECTION: Black Protest Strike

(Continued from Page 1)
dents throughout South Africa on Tuesday. The worst was the burning to death of a black, Santele Lusu, 23, near Durban, by three blacks.

Some whites stayed out of central Johannesburg on Wednesday in fear of bombs, following two blasts on Tuesday at a civic center. Police officers armed with shotguns guarded polling stations.

In Durban, the police broke up a peaceful student demonstration against the election and detained about 50 people.

The National Party, which had 127 seats in the outgoing 178-member Parliament, appeared sure of another comfortable majority.

The most intense contest was in Helderberg, outside Cape Town, where a cabinet minister, Chris Heunis, seen as a possible successor to Mr. Botha, was running against Denis Worrall, former ambassador to Britain.

■ KwaNdebele Republic
The Washington Post reported from Johannesburg:
The Legislative Assembly of

KwaNdebele, the most troubled and poorest of South Africa's self-governing tribal homelands, has voted in favor of becoming an independent republic, the fifth of 10 homelands to accept ostensible independence.

The unanimous decision Tuesday came a day after Prince Ceterus Mahlangu, who led a frequently violent campaign against independence, was dismissed from the assembly.

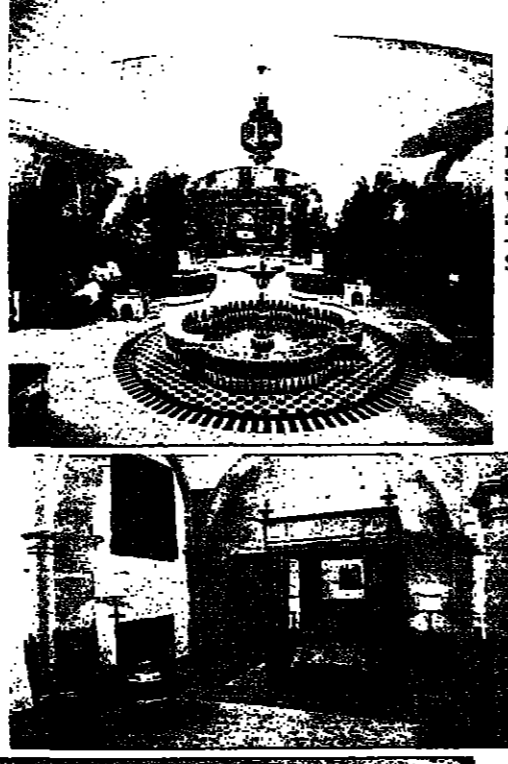
Three other critics of the move were voted out of the assembly last week, and two of them, Solly Mahlangu, a former speaker of the legislature, and James Mahlangu, are being detained by the homeland police under South Africa emergency decree.

KwaNdebele, with a population of 465,000, was the last of 10 tribal homelands created by the South African government as part of a plan to compartmentalize the country's 23 million blacks by tribe and remove them from white-dominated urban areas. It became self-governing in 1981.

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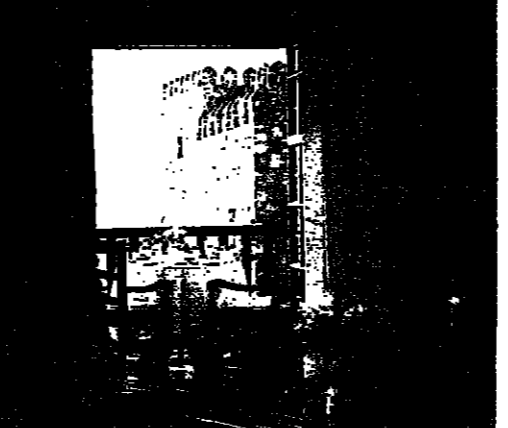
The best way to find out how Kings lived.



In this hotel you won't only enjoy yourself, you'll also learn some history.



It's not surprising to find hotels in a village. But in Spain there are hotels that are like villages.



You'll know you're in Spain from the moment you open your eyes.

In Spain you'll find our hotels are not outdone by the countless wonders that surround them. Some stand out because of their sophistication, their ultra modern design.

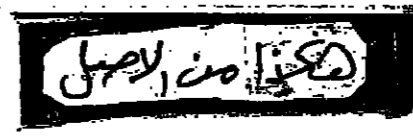
Others are places of historical interest. Old palaces, castles and abbeys that have been changed into "Paradores de Turismo". On the outside, time seems to have stood still for five centuries. On the inside... luxury swimming-pools, delightful restaurants and comfortable bedrooms will make your stay unforgettable.

But there's one thing all our hotels have in common: their price. You may even think there's been a mistake when you get the bill.

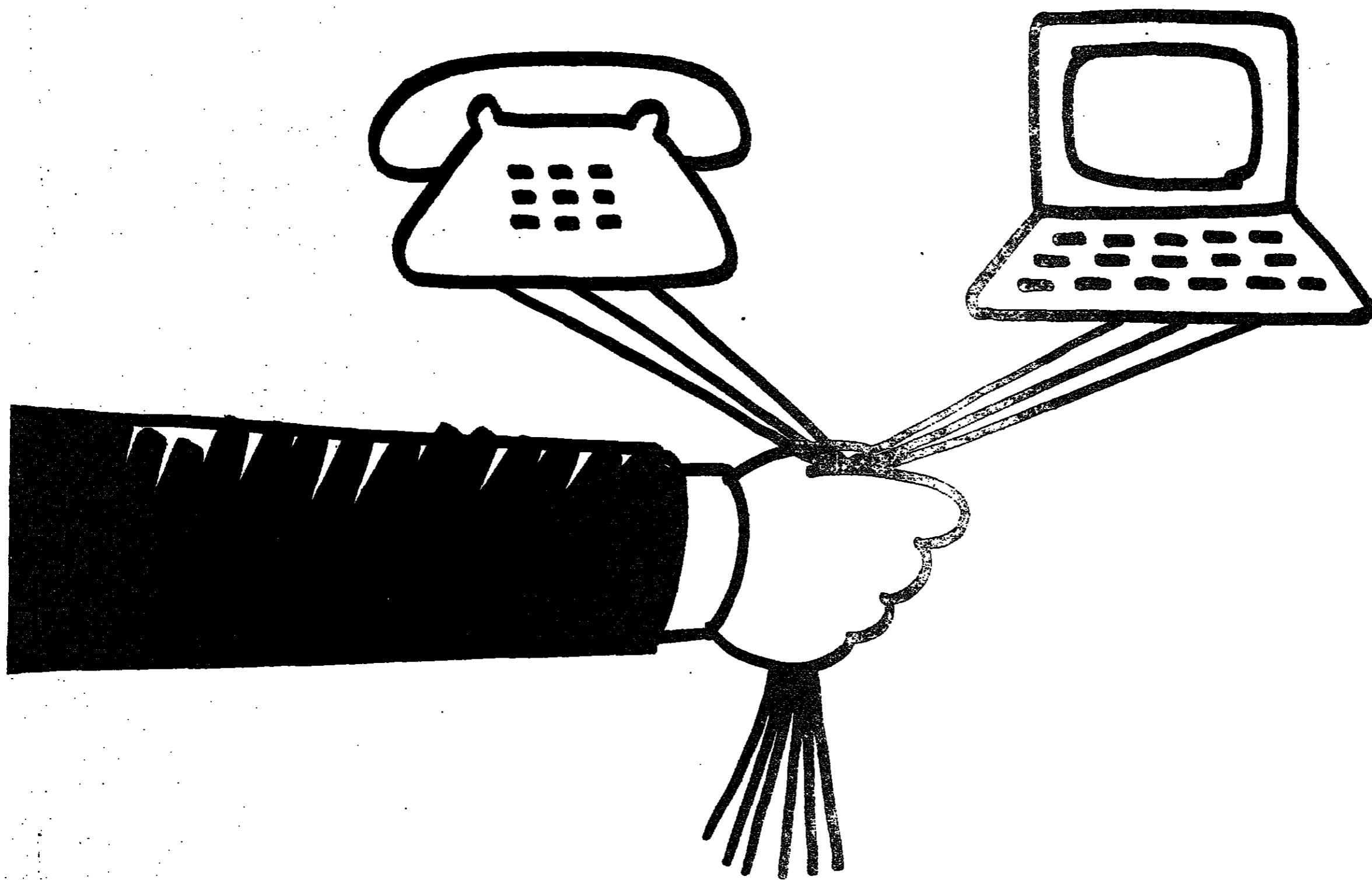
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In Soviet, Mixed Reviews for Americans on TV

Talk Show, Interviews Are Focus of Debate

By Gary Lee
Washington Post Service

MOSCOW — One Soviet viewer condemned the official television broadcasts as "shameful." Another objected so strongly that he appealed to the KGB, the Soviet secret police and intelligence agency, to help stop the broadcasts. A third vented his disapproval with an attack against a Soviet participant in the program.

"Let her rot," he wrote in Pravda, the Communist Party newspaper.

The broadcasts in question featured neither pornography nor violence, but a U.S. talk-show host, Phil Donahue, and other Americans speaking their minds to Soviet listeners.

The state-controlled Soviet television launched an irregular series of interviews with visiting Americans and other Western dignitaries more than a year ago, starting with Senator Edward M. Kennedy, Democrat of Massachusetts. The most recent appearance, last month, was by Secretary of State George P. Shultz.

The most virulent reactions have been to a series of so-called U.S.-Soviet "Space Bridge" programs, hosted by Mr. Donahue and Vladimir Posner, a Soviet radio and television commentator. The programs feature Russians and Americans bursting forth with opinions — many of them critical — about one another's country.

But the unusual sight of Americans on television has jarred many Soviet viewers. There has been a wide range of reactions. Some viewers welcome the interviews as an extension of glasnost, or openness. Others are not as enthusiastic, however, and they are issuing public attacks against television officials and urging more censorship.

Because Soviet news media coverage of U.S. political speeches is usually limited to a few select quotes, seeing someone on television as unfamiliar to Soviet viewers as Mr. Shultz is stunning enough.

More startling, however, are some of the views he and others have aired, sometimes flatly contradicting the Soviet leadership's explanation of its foreign and domestic policies. For example, in discussing the Soviet intervention in Afghanistan, Mr. Shultz said that the Afghans "don't want you occupying their country."

When sandwiched between praise of Mikhail S. Gorbachev's efforts to implement change, however, the sting of such comments apparently is outweighed by the public relations gains the Soviet leader reaps by allowing the broadcasts.

The biggest television sensation in recent weeks was not caused by an American, however, but by Prime Minister Margaret Thatcher of Britain during her visit to the Soviet capital in March.

Asked what Britain was doing to preserve world security, Mrs. Thatcher launched into a spirited defense of nuclear weapons as a deterrent to war, a viewpoint Mr. Gorbachev flatly rejects.

Heaping praise on Mr. Gorbachev's foreign policy initiatives and his efforts at democratization, Representative Jim Wright, the Texas Democrat who is the majority leader in the House of Representatives, said in an interview taped and broadcast in Moscow last month that "relations between our two countries have never been better since World War II."

Mr. Wright was so effusive in his assessment of Mr. Gorbachev's policies that a U.S. journalist asked him testily at a Moscow press conference last week why he did not use the opportunity to interject a single critical note.

"We have come on a mission of peace," Mr.

Wright said. "There has been enough haranguing between us."

Despite the optimism that Mr. Wright and others have expressed, the public backlash against the inroads Westerners have made on the airwaves has been marked. Displeasure with Western broadcasts in the Soviet Union is increasing.

Expecting Americans to sympathize with Soviet positions, Soviet viewers recoil at the generally critical tone, according to Mr. Posner, the Soviet commentator.

"Initially," he said in an interview, "they are hurt at the realization that a lot of enmity exists, and then they are angry."

Last month, G.N. Bochevarov, a resident of Leningrad, lashed out against the appearance of Americans on Soviet television in a letter published in the government newspaper Izvestia.

In his sharply worded criticism, Mr. Bochevarov blasted Mr. Posner and Mr. Donahue, calling them "anti-Soviet" and "hostile."

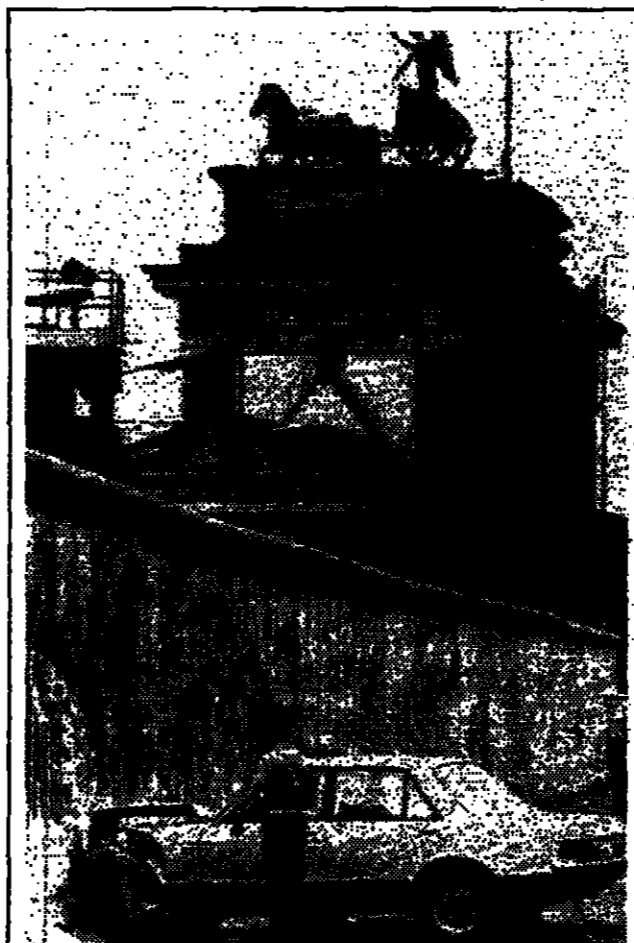
"Should we be harboring sympathies," he asked, for a country that "cold-bloodedly" is "undermining us in Afghanistan, Poland, Angola, Mozambique, Cambodia and Vietnam?"

Blaming television officials for laxity, Mr. Bochevarov said: "We television watchers have the entire right to choose for ourselves observers and commentators who express our viewpoint."

Mr. Posner later acknowledged that Mr. Bochevarov represents a "sizeable minority of opinion."

Explaining the decision to allow the broadcasts, Mr. Posner said that "there was an argument that Soviet viewers were just not psychologically prepared" for the sudden appearance of Americans.

One reason the interviews now are allowed, he added, is increased confidence in the Soviet position.



SUDDEN STOP — British soldiers inspect the car of a West Berlin man who tried to kill himself by driving into the Berlin Wall near Brandenburg Gate on Wednesday.

U.S. Protests Detention In Soviet of Babysitter Employed by Diplomats

The Associated Press

MOSCOW — The U.S. Embassy accused Soviet authorities Wednesday of trying to intimidate the American community in Moscow with the detention of a nanny working for a U.S. diplomatic couple.

Christine Hassinen, an Austrian employed by the chief of security at U.S. Embassy, was detained and questioned for three hours Saturday about alleged anti-Soviet conspiracy "and other similarly absurd charges," an embassy spokesman, Jaroslav Verner, said Wednesday. He said a formal protest had been lodged with the Foreign Ministry.

"We see this as an attempt to intimidate the American community," Mr. Verner said.

He said Ms. Hassinen was taken into custody after speaking with a Soviet citizen in a Moscow park. The citizen said that Ms. Hassinen had given her writings of the Reverend Sun Myung Moon, the leader of the Unification Church.

Ms. Hassinen worked for Frederick Mecke, the embassy security chief, and his wife, Carol Doerflinger, an embassy cultural officer. Mr. Verner said Ms. Hassinen had left the Soviet Union this week on a previously scheduled vacation.

Arrest's Meaning Unclear

U.S. diplomats said it was not clear whether the Austrian was singled out because she works for the security chief. The New York Times reported from Moscow.

A U.S. official familiar with the case described a bizarre scene at police headquarters in which Ms. Hassinen was charged with giving a Soviet woman Mr. Moon's writings and a black box that turned out to be a flashlight-battery recharger.

Asked the significance of the battery charger, a police official said, according to a U.S. official, "It can enhance radio transmissions."

A duty officer at the headquarters of the 108th Police Division in Moscow, where the woman reportedly was detained, said Tuesday night that "We did not detain anyone." He refused to discuss the matter further.

U.S. diplomats and journalists working in Moscow occasionally are approached by Soviet citizens who seem to be provocateurs, offering documents or asking for favors. An American reporter, Nicholas S. Daniloff, was arrested and charged with espionage last summer after accepting a package from a man in Moscow.

House Expected to Limit Reagan on 2 Treaties

United Press International

WASHINGTON — The House of Representatives took up arms treaty issues Wednesday with a debate expected to end in a rejection of an interpretation of the anti-ballistic missile treaty that would allow experiments on a space-based missile defense system.

Before starting the first congressional floor debate on how to interpret the 1972 ABM treaty, the House rejected, 241-174, a Republican effort to increase the 1988 defense spending bill from the \$289 billion adopted earlier by the House to \$302 billion.

The House was also expected to reiterate a stand taken last year — but dropped before the Reykjavik summit meeting last fall — that President Ronald Reagan be required to keep the United States under the warhead launcher limits of the unratified SALT-2 treaty. The United States has exceeded those limits with Mr. Reagan arguing that Soviet violations in other treaty areas justified the move.

The Senate Armed Services Committee, spurring administration efforts to loosen the interpretation of the ABM treaty, voted Tuesday to prohibit any tests that would violate the traditional view of the treaty.

Voting 12-6 to accept a provision offered by Senator Sam Nunn, Democrat of Georgia, who is the committee chairman, and Senator Carl Levin, Democrat of Michigan, the panel took the first formal step in the Senate to reaffirm a ban on tests of space-based defenses against missiles.

The House defense bill, as written, would force the Reagan administration to adhere to the interpretation of what testing of elements of the Strategic Defense Initiative can be done under the ABM treaty.

Mr. Reagan declared in 1985 that the broad interpretation was proper but held off expanding work on the space-based system. The treaty governs what development and testing of anti-missile systems can be conducted.

Last year, the House voted to bar the use of money for nuclear systems that put the United States over launcher limits in SALT-2.

The House position was dropped during a House-Senate conference before Mr. Reagan met Mikhail S. Gorbachev, the Soviet leader, in Iceland in October.

Short-Range Arm Weighed

Reagan administration officials are considering the deployment of new short-range U.S. nuclear missiles in Western Europe if an agreement is reached with the Soviet Union to eliminate medium-range weapons. The Associated Press reported from Washington.

The missiles would have a range of about 150 to 250 miles (about 250 to 400 kilometers), shorter than any of the Soviet or U.S. weapons that would be dismantled. U.S. Lance missiles would be modified to make them more potent or new U.S. rockets would be deployed, a senior administration official, who declined to be identified, said.

French, Soviet Blasts

France exploded a nuclear device on Wednesday at its Mururoa atoll test site, prompting Prime Minister David Lange of New Zealand to criticize the French for bringing "an element of insecurity" to the region, United Press International reported from Wellington.

The Soviet Union also reported that it conducted an underground nuclear test, the seventh blast since the Kremlin abandoned a unilateral moratorium in February.

New Zealand scientists said the blast in the Pacific — estimated at five kilotons, or an explosive force equivalent of 5,000 tons of TNT — was the first French underground test of 1987. The explosion was detected by the New Zealand seismological station in the Cook Islands.

"French nuclear testing in the South Pacific has been condemned by successive New Zealand governments for more than 20 years," Mr. Lange said. "New Zealand's view, shared by the other members of the South Pacific Forum, is that French testing contributes nothing to the safety and stability of the region."

Lange said that the Soviet Union's nuclear test with a yield of less than 20 kilotons was conducted in Kazakhstan.

Mayor of West Berlin Rejects East's Invitation

The Associated Press

BERLIN — The mayor of West Berlin, Eberhard Diepgen, voicing anger at Soviet criticism of West Germany, on Wednesday rejected an invitation to attend city anniversary ceremonies in East Berlin.

The invitation had already raised concern among Western allies that Mr. Diepgen's presence at an official ceremony in the Communist sector would jeopardize Berlin's international treaty status.

Mr. Diepgen's announcement occurred three weeks after Erich Honecker, the East German leader, spurned a similar invitation to attend West Berlin's own ceremonies marking the 750th anniversary of the city.

The mayor said he was angered by a "polemical" report by Tass denouncing Chancellor Helmut Kohl's speech at Friday's ceremony in West Berlin.

Mr. Kohl and other speakers accused East Germany of violations of human rights, denounced the East German-built Berlin Wall splitting the city and reiterated the West German call for reunification of the nation and Berlin.

Mr. Diepgen, alluding to the Soviet pressure that Western diplomats said caused Mr. Honecker to turn down the invitation, said he regretted that East Germany "is not in the situation to pursue policies that would lead to more travel and visits."

"With that, the question of the invitation to East Berlin is settled," the conservative Christian Democratic mayor said. The East German ceremony is scheduled for late October.

Hours before Mr. Diepgen's announcement Wednesday, an East German Foreign Ministry spokesman, Wolfgang Meyer, criticized the mayor's own speech at Friday's West Berlin ceremonies.

"In light of his misuse of anniversary ceremonies for slanderous thrusts" against East Germany, he said, "Mr. Diepgen has abandoned the ground for cooperation on the occasion of the 750th celebrations."

Mr. Honecker rejected his invitation under what Western diplomats said was Soviet determination not to have one of its allies attend a ceremony where West German leaders were emphasizing West Berlin's ties to West Germany.

Diplomatic analysts said the three Western Powers also were unenthusiastic about Mr. Diepgen going to East Berlin because this might underscore the Communist claim on that part of the city as the capital of East Germany.

By postwar treaty between the four victorious World War II Allies, Berlin's Western sector is controlled by the United States, France and Britain, while the Eastern sector is the Soviet zone.

MONDAY	DEPART LONDON 1930	ARRIVE TOKYO 1510
TUESDAY	DEPART LONDON 1930	ARRIVE TOKYO 1510
WEDNESDAY	DEPART LONDON 1930	ARRIVE TOKYO 1510
FRIDAY	DEPART PARIS 2040	ARRIVE TOKYO 1525
SATURDAY	DEPART LONDON 1930	ARRIVE TOKYO 1510
SUNDAY	DEPART PARIS 2040	ARRIVE TOKYO 1525
SCHEDULE EFFECTIVE FROM JUNE 1st. EVENING DEPARTURE		
TIMES ALLOW EASY CONNECTIONS FROM OTHER EUROPEAN CITIES		

AT THE END OF THE DAY ONLY ONE AIRLINE FLIES NON-STOP TO TOKYO. 6 TIMES A WEEK.



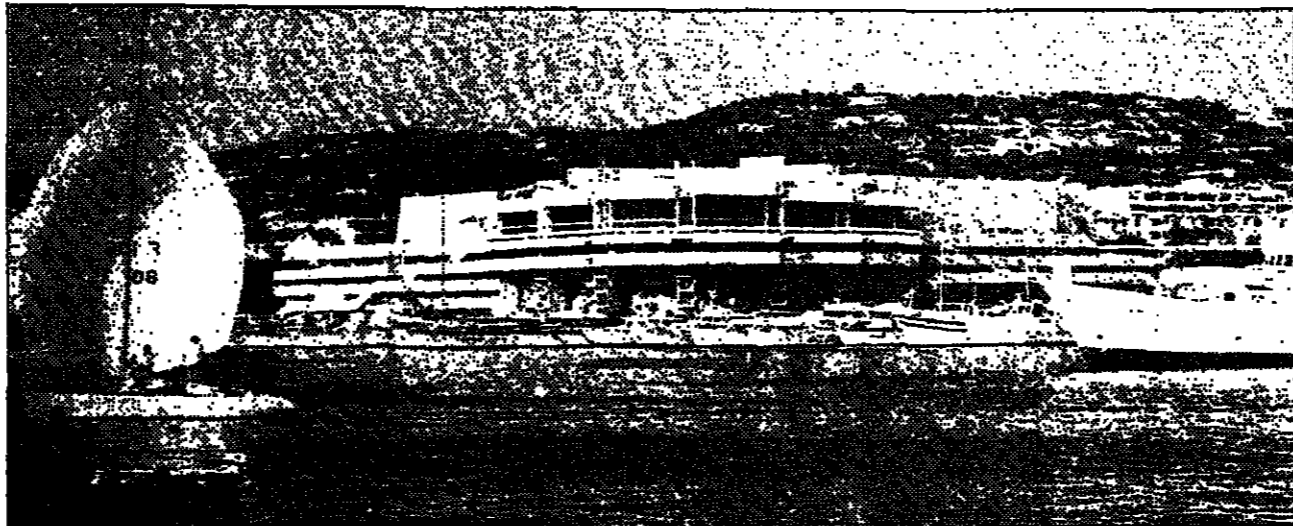
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THE FRENCH RIVIERA

BLENDING HIGH LIFE AND HIGH TECH



Although an independent principality, Monaco is unofficially part of the French Riviera. Above, the Casino in Monte-Carlo.



Visitors to Cannes should walk through the old port, mingle on the shopping streets, and get in some beach time.

THE annual Cannes Film Festival traditionally inaugurates the silly summer season on the French Riviera, that still seductive but seasonally congested stretch of the Mediterranean between Saint-Tropez and the Italian border.

The 40,000 visitors to the 40th festival will marvel not only at aspiring starlets and more regal visitors, including Prince Charles and Lady Diana, but also at a panorama of new projects that confirm the Riviera's reputation as one of Europe's fastest growth centers.

And everyone will have their own opinion as to whether all this activity accentuates or destroys the traditional allure of azure skies and sea, colorful

provençal markets, struggling but can artists and sprawling villas.

The boom runs the gamut from high tech to high life. When Jacques Médecin, the mayor of Nice and head of the area's development council, discusses the Riviera he talks of new autoroutes, more golf courses, larger commercial ports and advanced communication centers.

"We want the Riviera to be the link between northern and southern Europe and between Europe and the world," Médecin recently told the Riviera branch of the American Chamber of Commerce. "We want to be number one in high tech, pleasure tourism and business tourism."

The Riviera has certainly come a long way since the 1960s when its economy was based primarily on agriculture, perfume, flowers, real estate and tourism. Evidence of diversification is everywhere and income from science, services and light industry now equals the \$2 billion annual revenue from tourism. To help it along, Médecin created Côte d'Azur Développement, the French Riviera Agency for Economic Development, to centralize promotion of the region and its 19 different industrial zones and technology parks.

Indeed, there seems to be

activity everywhere.

The French high speed train (TGV) began servicing the Riviera last month, the new wing of Nice Airport opens May 22 and the Arenas business complex will soon be constructed across from the airport. The Ruhl casino reopened on the Promenade des Anglais in Nice a month ago and the big event of the summer will be the inauguration of a U.S. \$46 million attraction park called Zygofolis on July 11.

In Monaco, the independent principality which is unofficially considered part of the Riviera, the Place de la Casino and

the renowned Café de Paris are being extensively remodeled. The rebuilt Metropole hotel and business complex is nearing completion and the \$15 million Monaco Cardiothoracic Center opens later this month. In Cannes, the Martinez Hotel is concluding its \$13 million renovation program with a new roof garden and penthouse suites.

But as some projects approach fruition, just as many others get underway. The impression is a coastline of continual construction.

A modern art museum and theater complex will be built in

Nice and a contemporary art foundation has been designed for Sophia Antipolis, the 5,000-hectare high technology and research park between Nice and Cannes. Monaco will build a new Exposition Center on the Larvotto beach to replace the current Centenary Hall and Camolotto and Co. is planning a \$50 million apartment development in the same area.

New property developments continue from the coast to the back country. The \$66 million Lido Complex in Cagnes-sur-Mer is planned to include two hotels, a state-of-the-art casino, a spa, two apartment buildings

and a large sports and cultural complex. Le Logis du Pin, between Grasse and Castellane, will be built on 340 hectares and include California-like secondary residences and an 18-hole golf course.

Business tourists continue flocking to the Riviera for conferences and conventions at the Acropolis in Nice, the Palais de Festival in Cannes and facilities in Monaco, Menton, Grasse, Beaulieu, Sophia Antipolis and Antibes.

Many hotels, like the Martinez and the Gray d'Albion in Cannes, provide conference facilities for smaller corporate meetings. The Ramauelle International Center near Saint-Tropez actually enables businessmen and decision-makers

to meet in an attractive walled village, blending a convivial atmosphere with all the necessary communication and office services.

The Riviera's service sector, employing two-thirds of the population, has naturally kept up with the economic growth. There are a surplus of banks, direct flights from Nice to New York and an increase in executive recruitment.

Residents, often amazed at the speed of growth, have found a number of ways to avoid an overdose of high life and high tech. They head to the hills in the gorgeous back country, find a somewhat isolated beach in the Esterel or just get in a boat and head south.

Distractions in the Sun

THE Riviera is fun-filled during the summer and distractions vary dramatically.

There are jazz festivals in Nice from July 9-19 and in Juan-les-Pins in mid-July. Following this month's Grand Prix, Monaco hosts a celebrity tennis tournament on July 4, the International Backgammon Championship July 6-12, an International Fireworks Festival throughout the summer and the Sixth Antique Car Rally from September 15-20.

Cannes' annual Indepen-

dence Day festivities from July 4-14 include an American football game, fireworks and musical selections ranging from Cab Calloway to the Sixth Floor band.

The Challenge Méditerranéenne offshore boat races are held in Saint-Tropez May 10 and in Monte-Carlo June 7, the Second Annual Parachuting Championships are in Mandelieu July 11, the annual Fortune Teller Festival comes to Cannes August 8-23 and the annual August pasta eating championships are in Saint-Laurent-du-Var.

In addition, there are 32 museums and 86 art galleries on the Riviera and it is possible to visit the ateliers of contemporary artists (Personalized Art Tours, Tel: 93.20.37.60).

While enjoying all these activities, perhaps decide to learn French at:

Centre Méditerranéen d'Etudes Françaises, Chemin des Oliviers, 06320 Cap d'Ail. Tel: 93.78.21.59. Telex: 461792.

Founded over thirty-five years ago, the Centre Méditerranéen offers intensive, compact or summer courses. Its instructors

are young university graduates and their teaching methods include computer-assisted training. Located in a pleasantly rustic setting, the Centre Méditerranéen is a short distance from Monaco.

Institut de Français, 23 avenue Général-Leclerc, 06230 Villefranche-sur-Mer. Tel: 93.01.88.44. Telex: 970989.

The Institut de Français offers four- or eight-week courses of complete immersion in French for professional adults and mature students. Their intensive eight-hour-a-day program in-

cludes classroom work with very effective audiovisual methods, language laboratories, varied practice sessions and two meals at the school with French staff participation. International organizations regularly send their personnel here.

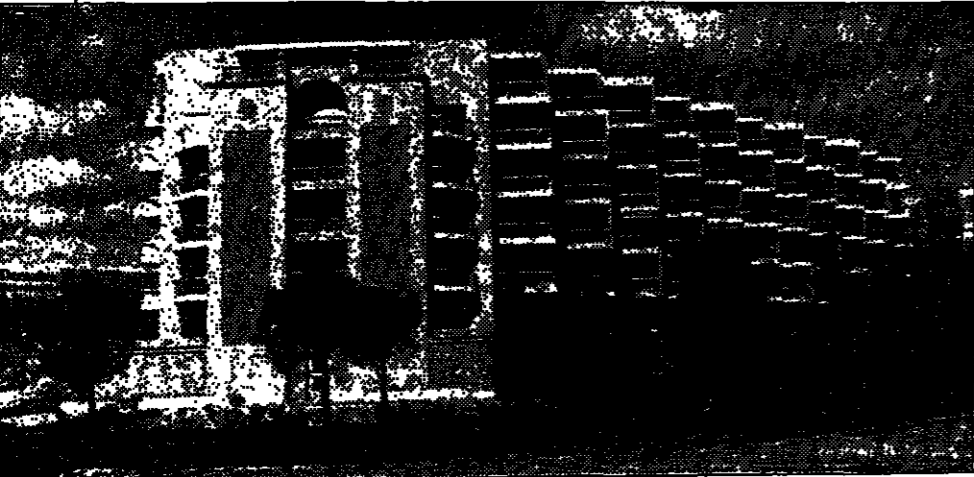
Actilangue, 2, rue Alexis Mossa, 06000 Nice. Tel: 93.96.33.84. Actilangue's location in central Nice, just steps away from the Promenade des Anglais, makes its popular for students who want to live in the Riviera's Big Apple.

Riviera Plus Language Center, 15, rue Alberti, 06000 Nice. Tel: 93.62.60.62. Opened two years ago in central Nice, Riviera Plus places its students in French families and uses interactive methods to teach French to small groups. Diplomats or businessmen can take individual intensive courses.

Version Française, 23 rue de Rivoli, 06000 Nice. Tel: 93.88.29.90.

Excellent contacts with hotels of all categories along the coasts.

Real Estate: Higher and Higher?



Real estate developments on the Riviera include the Lido complex in Cagnes-sur-Mer.

THERE are twenty-five pages of real estate companies and agents, compared to only twenty pages of restaurants, in the yellow pages of the Alpes-Maritimes telephone book. And the opinions about the state of the market are almost as varied as the number of agencies.

Overall, there is a cautious sense of optimism. The market is somewhere between the rampant speculative state of the 1970s and the dramatic slowdown between 1981-1984.

However, there is a noticeable increase in the number of new apartment and housing developments under construction. Among these is the Villa Angelico, just being completed in

the Mont Boron section of Nice, where twelve apartments are selling for 17,000-21,000 francs a square meter. And foundation work has begun on the \$17 million Monte-Carlo Residence apartment-office complex on the boulevard des Moulins in Monte-Carlo.

Naturally, real estate agents have their own sentiments about the present and future market. A sampling of current opinion:

"The market is active and continually improving. The stock is diminishing and French investors are again purchasing properties for both rental and investment. Many developments are getting underway with prices for new

homes up about 15-20 percent over a year ago. Prices for older properties have increased about five percent" — Pierre Geig, John Taylor (Cannes).

"People are again willing to pay top prices for apartments in Cannes and the market for expensive homes is picking up. Purchasers are both foreign and French. I can easily find buyers for every home I am given to sell" — Dominique Dib, SSI (Cannes).

"We are getting more inquiries but many people are still hesitant to buy. Prices have been rising but I expect them to decline 10-12 percent during the next year. This should create a better market for buyers" — Jean-Luc Portos, Huber &

Partners (Beaulieu-sur-Mer). "It is sometimes difficult to sell larger homes because of an oversupply and concerns about security and maintenance costs. But Frenchmen are finally returning to purchase secondary residences and apartments for retirement" — Gerald Melieres, Decomed (Cagnes-sur-Mer).

"There are not enough new apartments on the market to satisfy demand in the Antibes area. Foreigners are still not buying in significant numbers and consequently there are a number of interesting villas for sale. Apartments and homes costing less than two million francs and over five million francs are selling briskly" — Michel Lacombe, Agence Kapnist (Antibes).

"Monaco remains a good market because of its reputation, excellent security, good construction practices and limited space. There is still some speculative buying of smaller apartments but purchasers are now looking for larger apartments in which to live on a permanent basis" — Henri Orengo, SOTRIM (Monaco).

"The market for small and medium-sized apartments has picked up a bit due to new business moving into Monte-Carlo. Some long-term investors are coming back into the

market to obtain a 6-10 percent annual return. Future projects include larger, apartments to meet stepped-up demand in that sector" — Sergio Camolotto, AFIM (Monaco).

"There is a great revival of larger properties, chateaux and vineyards. We have trouble meeting demand from recent investors including Europeans, Americans and Japanese. For smaller properties the market is stable with prices for villas about 25 percent less than in

the Alps Maritime" — Raymond Dondain, Ghittimar Consultants (Sanary-sur-Mer).

Although every agency has a slightly varying assessment of the market, most convincingly argue that purchasing real estate on the Riviera is a sensible long-term investment. Once a prospective buyer concurs, there is no question that the area's geographical and architectural diversity makes it a potential wonderland for house hunting.

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THE FRENCH RIVIERA



Left, the Royal Gray at Canne's Gray d'Albion hotel. Right, shopping in the old part of town.

Festival Fever and Beyond

THE 75,000 permanent residents of this more comfortable than cosmopolitan town, which is twinned with Beverly Hills in California, seem to enjoy film festival fever. Although most inhabitants complain about the infusion of tourists during August, they welcome the 40,000 visitors in May.

everyone is expected to start celebrating. The resumption of relaxed summer behavior and laid-back lifestyle even has a name. Locally, it is called "Doing the Cannes-Cannes."

The locals know that the Croisette, that seductive promenade along one of the Riviera's best sandy beaches, will be especially congested during the next two weeks.

They know that hotels like

the Martinez and the Gray d'Albion, which celebrates its seventh anniversary in July, have been fully booked for months. That barmen at the Martinez won the Riviera cocktail contest last month with the "Coodingo" and "Monokivi" concoctions they will eagerly mix for visitors. That the casino and all the shops on the rue d'Antibes are anticipating a better-than-bustling season from American tourists despite the lower dollar.

They know all this because it is traditionally part of doing the Cannes-Cannes.

The restaurants, especially Le Royal Gray run by Jacques Chibois in the Gray d'Albion hotel and La Palme d'Or in the Martinez, where chef Christian Willer's cuisine competes with a splendid view, are ready to do the Cannes-Cannes. As are the ice cream parlors, like Alaska and Vilfeu, and Solidmark, which rents yachts like the "Sophisticated Lady" or "Galou" for between \$1,000 and \$18,000 a day.

And anyone can enjoy the party.

Cannes, even during the festival, is for both jet setters (who tend to go to the private

beaches and pay for their mattresses, umbrellas and fresh strawberries) and backpackers (who prefer free beaches and hamburgers at Quick).

But every visitor should take time to meander around the ports, stroll into the old part of Cannes known as Le Suquet (La Mirabelle and Pacific Express are the favored restaurants) and take a boat to the Lérins Islands a kilometer away. Sainte Marguerite includes the fortress of "The Man in the Iron Mask" fame and Saint-Honorat has an unique monastery. The more adventurous can rent a windsurfer or Riva boat to reach the islands at their own speed.

Cannes is a shopper's paradise, or pitfall. A "consumer's choices" include a wealth of interesting boutiques selling new fashion or arty interior decorations on the rue d'Antibes and the equally fashionable cross-roads. The ornate commercial center called Les Boutiques de Gray Street is a name-dropper's delight and the Sylvie Nissen gallery at the Carlton Hotel features a number of unique Art Deco pieces and an exceptional gold, pearl and diamond-studded bracelet from the 1860s for 120,000 francs.



Nightlife buzzes from the casino to the festival hall (the casino at the Palm Beach opens June 1, which is the same date American pianist Jimmy McKissic returns to the Martinez) to clubs like the Studio Circus, Whiskey A Go-Go and Le Jane's in the Gray d'Albion hotel.

Naturally, anyone wanting to spend more than a couple of weeks here can contact a number of real estate agencies to help make the transition to permanence. Two of the best regarded, John Taylor & Sons and SSI, are on the Croisette.

If you want to become a well-known resident, you might even purchase the old film festival hall, across the ever-crowded Le Festival cafe, which is still on the market. Then you can spend the winter here and be entitled to do the Cannes-Cannes next year.

Sophia Antipolis: High-Tech Update

THE principle high-tech attraction in southern France is the 5,000-hectare Sophia Antipolis technology and research park located between Nice and Cannes. The high-tech name combines the Greek words for wisdom and the nearby city of Antibes.

There are 338 organizations and 6,300 persons working in the park and among the latest corporate entrants are Wellcome Laboratories, Miami-based Cordis Corp., an affiliate of the Coopers & Lybrand auditing firm, Toyota subsidiary Aisin Seiki and San Jose's VLSI Technology — the first Silicon Valley company to enter the park.

Bigger things are on the cards. These include the Scanicon conference center with seminar facilities for 250 persons, an International Center for Advanced Communications and a contemporary art center.

Initially, a lot of people could not contain their bemusement when an association was formed in 1969 with the intention of parachuting a technology park on the Riviera. But Sophia (it is commonly called by its first name) has been so successful that it is the subject of a political soap opera.

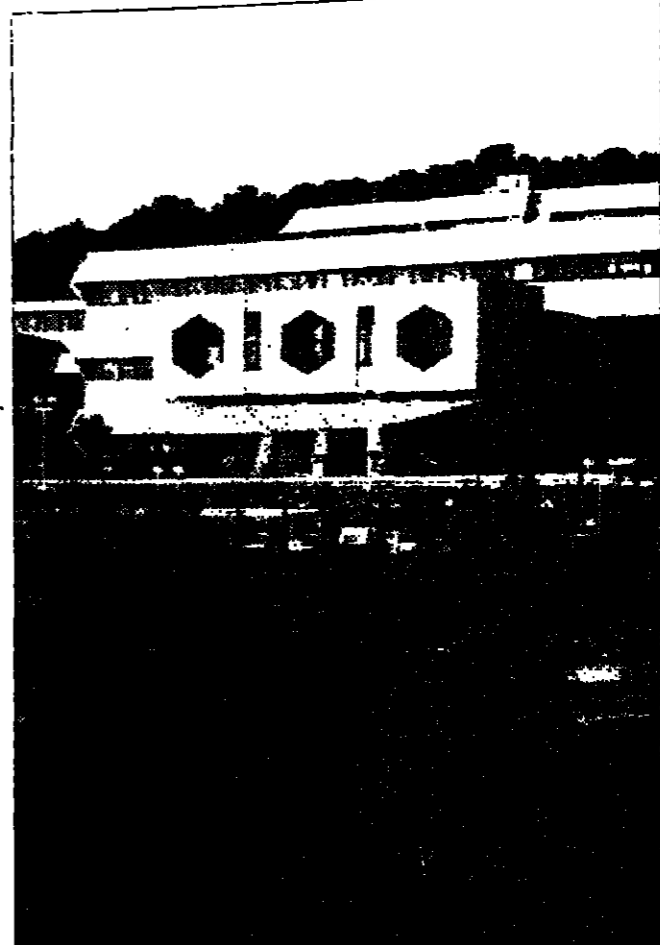
The theme: Who will run, manage and take credit for the park?

The departmental Chamber of Commerce, which has been a key force directing the park, failed to appoint a global coordinator to direct the administrative, financial and commercial operations at Sophia earlier this year.

Now Jacques Médécin, mayor of Nice and head of the regional development body, has proclaimed himself personally responsible for its future.

Médécin plans to regroup the numerous off-competitive bodies dealing with Sophia under a single organization and appoint a new director with an international commercial background to direct the marketing, management, scientific and cultural evolution of the park.

"A practical solution to the leadership problem at Sophia Antipolis will produce a coherent



The Riviera is as much high tech as high life. The Sophia Antipolis technology park between Nice and Cannes is a focal point for research, services and light production facilities.

direction and sensible decision-making process." Médécin promised. "There will be one person calling the shots before July 1."

Whatever happens, Sophia's development is far beyond the point of no return. A random driving tour passes the usually attractive research, service or light industrial production facilities of Air France, Digital Equipment Corp. (DEC), Dow Chemical, DuPont, Corning, Searle, Rohm and Haas and CIRD, the international center for dermatology research financed by parent partners L'Oréal and Nestlé.

Educational facilities include science and mining. The Anglo-American school in Mougins, an English-speaking parent-sponsored school with thirteen grades, broke ground on its building last month and will move into the park in September. The bustling "com-

plex scolaire" has 1,400 students representing 54 different nationalities with 300 students taking courses in the international section.

More importantly, there are dozens of start-ups in the park. These include three companies dealing with mineral and smart-card technology, a company trying to merge art and technology, a firm planning to manufacture miniature prostheses and a team creating software for data base management. Typically, companies have names like Sophatex, Sophialangue, Sophia Telex or Sophia Technologies.

How will everyone keep in touch with the outcome of the soap opera? Over 250 kilometers of fiber optic cable now connect Sophia companies, and a Telecom 1 satellite dish provides firms with a substantial network for data, voice, image and graphics communication.

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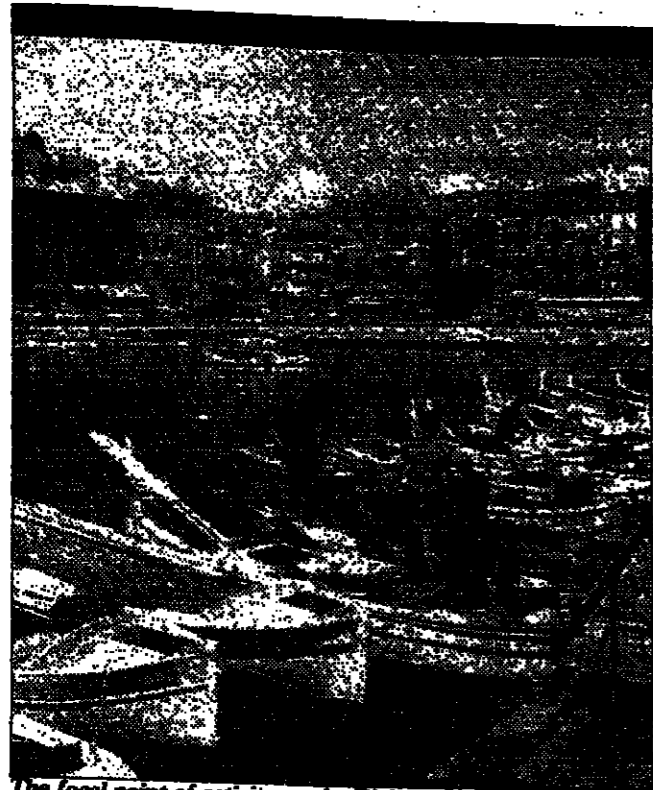
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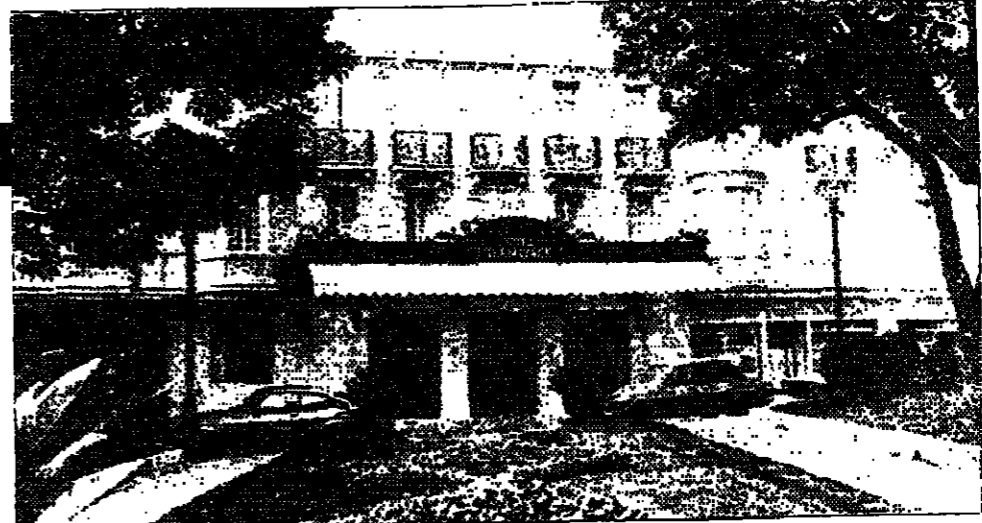
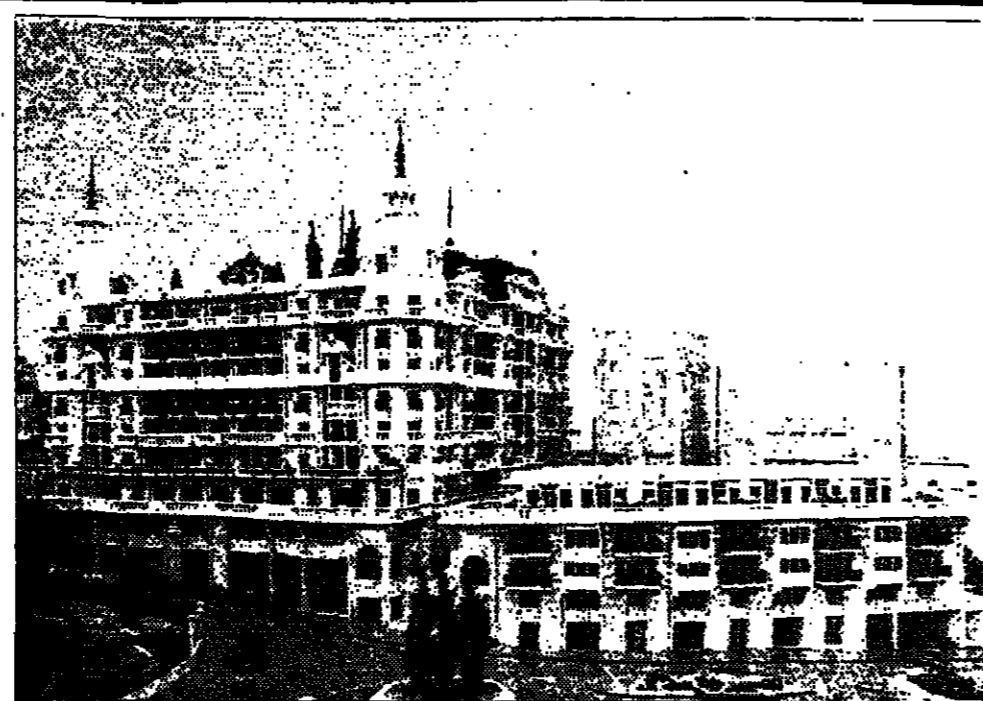
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The focal point of activity on the Riviera this month is the Cannes Film Festival with 40,000 visitors. Right, the renovated Metropole Hotel in Monte-Carlo.



The "palace" hotels on the Riviera include the Martinez and the Carlton in Cannes and the Hermitage (above) and Hotel de Paris in Monaco.

Eat, Sleep and Be Merry

THE Riviera's restaurant and hotel industry is a hotbed of movement, gossip and expansion. Dominique le Stanc closed what was the best restaurant in Monte-Carlo and took over the kitchen at the picturesque Château Eza in Eze. Roger Verge, who runs the three-star Mougins and the two-star Amandine de Mougins, plans to inaugurate the Café

Roger Verge in Monte-Carlo's La Galerie Commerciale du Sporting d'Hiver this week. And the kitchen at the new Vista Palace Hotel (formerly the Vistaero) perched on the cornice above Roquebrune-Cap-Martin has opened under the supervision of Patrick Michelon, who was the chef at the Hostellerie du Chateau in Fère-Chardenois. The culinary coup of the

season will undoubtedly be the opening of Restaurant Louis XV in Monte Carlo's Hôtel de Paris on May 27 under the supervision of Alain Ducasse, who previously ran the two-star La Terrasse in Juan-les-Pins. La Terrasse, meanwhile, has engaged Christian Moisset, the former chef at the Château d'Esclimont in the Loire valley, to maintain its reputation.

But despite rumors begun by the Gault-Millau magazine, Jacques Maximin insists that he will continue running the kitchen at the three-star Chantrel in the Hotel Negresco in Nice rather than starting his own diner. And the in crowd insists the latest restaurant in Cannes is Les Planques on rue Marcellin Berthelot. Elsewhere, culinary combats fight it out in different

sectors. Fish remains a Mediterranean specialty and most locals recommend Bacon on the Cap d'Antibes for its bouillabaisse and spectacular view. Chef Paul Le Pêcheur near the yacht-filled Antibes harbor, the family-run Tetou on the beach in Golfe Juan and the Saint-Benoît in Monaco. And everyone has a favorite fish restaurant in Nice. Cagnes-sur-Mer, Saint-Laurent-du-Var and other port-

side localities. Nice is an excellent spot to find socca (the traditional Niçoise chickpea pancake), pizza and other garlic-scented cooking. For typical Niçoise cooking, Barale, which serves a fixed menu punctually at 8:30, is tops. Romantic diners seeking eateries with a view might try the Colombe d'Or in Saint-Paul-de-Vence, the terraces at the Hotel du Cap-Eden Roc at the Monte-Carlo Beach Hotel, the Grill at the Hôtel de Paris in Monaco, La Palme d'Or in Cannes or restaurants in perched villages like Gour-

d'Or in Saint-Jean-Cap-Ferrat. Le Byblos in Saint-Tropez, Le Mas d'Arny in Saint-Paul-de-Vence, Le Métropole and La Réserve in Beaulieu-sur-Mer, three hotels in Monaco (the Hôtel de Paris, the Hermitage and the Mirabeau), four in Cannes (the Carlton, the Grand Hôtel, Hôtel Maïestic and Hôtel Martinez), the Monte-Carlo Beach Hotel in Roquebrune-Cap-Martin, Hôtel Belles Rives in Juan-les-Pins, Le Cap Estel in Eze-sur-Mer and Venice's exciting Château du Domaine Saint-Martin.

There are also a wide range of smaller and more discreet hotels like the centrally located Malmaison in Nice (the only hotel in the city with satellite reception), the Mas Candille in Mougins and the Colombe d'Or in Saint-Paul-de-Vence. Two interesting spots to stay in the Var include La Colette

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Strolling Through Old Nice

When the Greeks founded Nice, which they called Nikaia, they first settled on the top of Castle Hill. As the population grew, the city expanded into what is now called Old Nice. *Le Vieux Nice* or *La Vieille Ville*. "Walking Through Old Nice," written by Catherine Ungar and Marcelle Viale-Barosi and published by Editions Sarre, is an indispensable guide for anyone wanting to get a feel of this mostly restored, colorful part of town. The following excerpts get you started on your voyage into this exciting corner of the Riviera.

FIFTH largest city in France and one of Europe's greatest tourist centers, Nice today is a sprawling city of about 400,000 inhabitants. The visitor will retain the image of luminous skies, chiseled palm fronds along the Promenade des Anglais, colorful, crowded streets, shaded gardens, unusual fountains, and pink and white villas nestled among trees on the hills overlooking the Bay of Angels.

Warm yellow, soft ochre, pink and green, the façades of the Old City's houses are luminous in a symphony of Mediterranean colors. None of these painted façades are more than a hundred years old, but they perpetuate a long-standing tradition of architectural decoration that goes at least to the 17th century.

over, on a large metal platter, delicious with a glass of red wine; *ratouli niçoise*, one of the finest dishes you will find, made up of tiny pasta squares stuffed with *daube* (beef stewed in red wine) and *blanc* (Swiss chard, a dark green leaf vegetable, not unlike spinach) and laced with grated cheese; *farci*, stuffed onions, tomatoes, zucchini, eggplant, the most remarkable of this group being the stuffed squash flowers ("fleurs de courge farcies") in the summertime; *ratatouille*, stewed onions, eggplant, zucchini, green and red pepper; *stockfish*, dried cod stew, prepared with olive oil and the local vegetables; *petite friture*, tiny fried fish; *beignets*, fritters usually made with zucchini or eggplant slice; *medou* salad (mixed greens); and, for dessert, *tourte de blés*, a Swiss chard pie with cheese, raisins and pine-nuts.

For a quick lunch on the beach, the *pan-bagnat* is Nice's very special sandwich stuffed with "salade niçoise." In the streets of Old Nice, something is always happening: new stores appearing, art galleries opening, scaffolding going up. Skirting the city, where the ramparts once stood, protecting against enemy attack and river floods, there now runs boulevard Jean-Jaurès and, parallel to it, inside the Old City itself, the main commercial street. Its name changes several times along its course: du Marché (Market Street), de la Boucherie (butchers), du Collet (on a low rise), Saint-François (near the square of the same name), and Pairolière (coppersmiths and tinkers).

Fashion conscious? For couturier boutiques or avant-garde clothes, stop by Kenzo's on rue du Marché, Rina Bonheur's on Cours Saleya, Be-Bop on rue Centrale, or rummage through the infinite variety of *fripes* (pronounced "freeep") everywhere, the easy-going, eye-catching, inexpensive garments with the look of the day. Searching for antiques? You will find specialized shops throughout the Old City and more specifically along rue Scgurane, on the easternmost limit of Old Nice.

Looking for souvenirs? Stores abound, practically one next to the other on rue Saint François de Paule and Cours Saleya. The most typical include items made of olive wood, seen in most shops. Provincial fabrics at "La Samaritaine Niçoise" on rue Mascoulin, perfumes and essences at Poilpot on rue Saint Gaétan, pottery from the village of Biot at Vauthier, No 20 rue du Pont-Vieux. Books and tapes on regional subjects are also available at the "Qu'es Aco" bookstore, No 3 rue Francis-Gallo.

Today, after decades of neglect, these façades are coming back to life thanks to the efforts the City of Nice has put into restoring the old buildings in the traditional style. The illusion of *tramps l'œil*, so very much a part of the ornamentation of the past, has been used to make new structures, such as the shelters for the elevators and the underground parking lot of Cours Saleya, so cleverly painted as to blend into the surroundings. Visitors to the more recently

built parts of Nice are surprised to find that many buildings are called "palais" as the name inscribed over the doors or at the corner often indicates. In the Old City, however, there used to be many palaces, that is, residences of local nobility. After the French Revolution, in the course of the 19th and 20th centuries, these homes, that used to be more or less stately and decorated, became tenement houses and even slums, so that the casual observer may never notice the little details that bear witness to a more aristocratic past.

These former palaces are not always easy to recognize: there are few façades with relief carvings, and not many truly ornate portals in Old Nice. However, above the doorway of some fifty buildings, you can spot lintels bearing dates, inscriptions and other engravings, mostly of religious significance.

Old Nice seems to be bulging with food. Besides the markets, butcher shops, delicatessen and cheese shops literally spill out onto the streets, tempting the passerby with an intriguing variety, ranging from cakes to *porchetta* (whole stuffed pig).

Among the best-known local specialties: *pissaladière*, a tasty onion tart with black olives and anchovies; *socca*, made of chickpea flour, served hot out of the

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WALL STREET WATCH

Newspaper Stocks Torn By Good News, Bad News

By VARTANIG G. VARTAN

NEW YORK — One week ago, Salomon Brothers lowered its investment rating on newspaper stocks in the expectation that Florida would enact a 5 percent sales tax on a wide range of services, including media advertising.

Salomon's analysts, Sharon Sedar and Lisa Donnison, also predicted a correction in the prices of newspaper stocks, "as a consequence of the passage of the Florida tax bill and its implications." The analysts also suggested that "taxation of advertising expenditures in Florida could be the precedent upon which other states base laws to raise revenues."

The Florida legislation was approved Thursday and will take effect July 1. As for newspaper stocks, they have been severely buffeted in recent trading, although Wall Street analysts remain divided on the cause.

Newspaper stocks have been volatile partly because they are relatively illiquid, one analyst said.

The six stocks for which Salomon reduced its investment rating were: Gannett Co., Knight-Ridder Inc., The New York Times Co., Times Mirror Co., Tribune Co. and The Washington Post Co.

Newspaper issues have been excellent performers during the bull market. In 1987, through last Wednesday's market close, Standard & Poor's newspaper group rose 23.6 percent, while the S&P 500-stock index rose only 18.6 percent.

"There exists market risk in newspaper stocks, since their price-earnings multiples are relatively high," said J. Kendrick Noble, media analyst at Paine Webber Inc. "But since last week we've been recommending the stocks as buys on weakness."

"We like the newspaper industry in general," said Joseph Fuchs of Kidder, Peabody & Co. "Our three buys are Gannett, The New York Times and the Times Mirror. The Tribune Co. and Knight-Ridder might be affected more than other newspaper chains because of their large holdings in Florida, but we even expect them to outperform the market over the next 12 months."

MANY ARE not convinced that the Florida decision spells bad news for the industry as a whole. "There is no inkling that other states are looking at Florida's prospective tax as a source of revenue, or that advertisers will advertise less," said Edward J. Atorino of Smith Barney, Harris Upham & Co. "Newspaper stocks have come down in price mainly because of the big recent decline in the overall market. Also, stocks in this group are relatively illiquid because of their heavy institutional ownership. As a result, they tend to show violent swings — up or down — in violent markets such as we have seen."

Mr. Atorino is recommending Tribune and Gannett. At Goldman, Sachs & Co., Barry A. Kaplan and Eric Philo expressed somewhat less enthusiasm. Knight-Ridder is their buy recommendation; they are assigning a "hold" rating to others.

"Because of their large gains in recent years, newspaper stocks serve as an area of profit-taking, especially in a jittery market," said Peter Falco of Merrill Lynch. "But we continue to think the group is attractive."

In another development on Wall Street, Forstmann-Leff Associates, which manages approximately \$5 billion, has moved its client portfolios into the highest cash position since 1984. "We are now about 35 to 40 percent in cash," said Joel B. Katz, the co-chairman.

The company, which was holding 20 percent of the portfolios in cash at the start of this year, actively began selling securities some three weeks ago, right after weakening prices of U.S. Treasury bonds fell through a narrow, yearlong trading range.

"That was the signal, and for us it confirmed an assessment of fragmented information, from tariff moves to disquieting inflation signs, that we had been monitoring," Mr. Leff said.

Edelman Lifts Bid For BI

Offer Is Valued At \$1.6 Billion

The Associated Press

NEW YORK — An investor group led by Dominion Textile Inc. of Canada and Asher B. Edelman, a New York financier, Wednesday raised its bid for control of Burlington Industries, the largest U.S. textile company, to \$1.62 billion from \$1.45 billion.

The group's \$67-a-share offer for shares it does not already own, made directly to shareholders, came after Burlington showed strong opposition to the group's \$60-a-share takeover proposal made last month to Burlington's board.

Burlington, of Greensboro, North Carolina, had said it would consider the offer first, but then filed two lawsuits against the group. In the second one, announced Tuesday in Montreal where Dominion is based, Burlington said it might try to buy the textile concern — Canada's largest — to retain its own independence.

A Burlington spokesman, Bryant Haskins, said Wednesday the company had no comment on the group's tender offer, which lifted Burlington's stock \$4.75 a share, to \$63.25 at midday in active trading on the New York Stock Exchange.

The Edelman-Dominion group said Tuesday that it increased its current stake in Burlington to 11.6 percent, or 3.17 million shares, of the 27.3 million common shares outstanding from 9.5 percent.

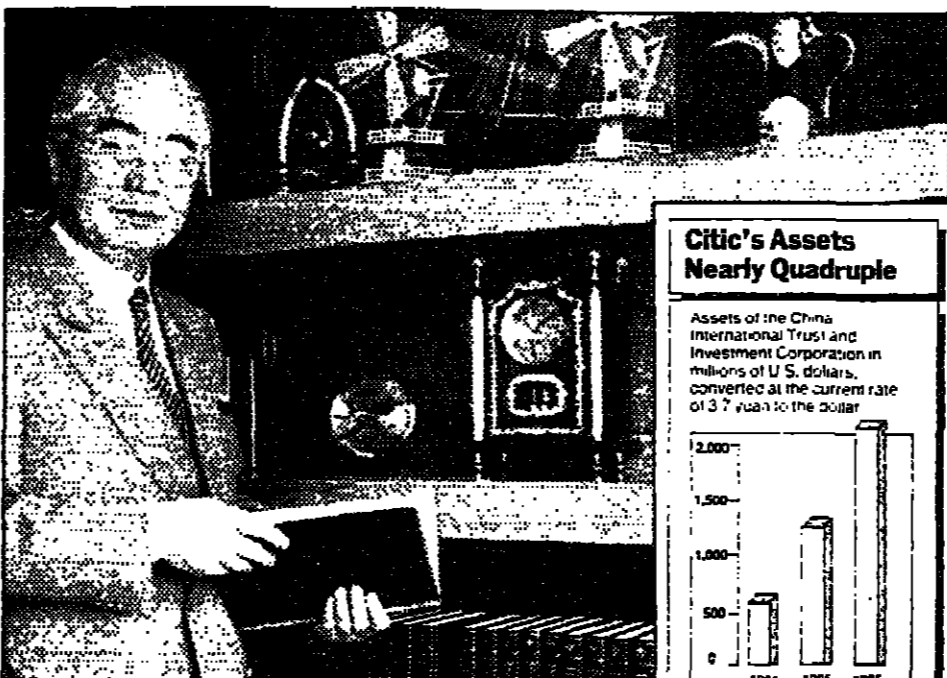
In a Tuesday filing with the Securities and Exchange Commission, it said it had bought an additional 503,100 Burlington shares on May 1 for between \$57 and \$58 a share, giving it a total of 3.17 million shares.

Burlington's suit in Montreal contended that agreements between Mr. Edelman and Dominion violated Canadian law by insulating Dominion's directors from removal and the company from any takeover.

It said the agreements also provide that control of Dominion's investment in Burlington would pass to Mr. Edelman if there was any change in control of Dominion.

In the earlier lawsuit, the company alleged that Mr. Edelman and Dominion used "inside information" from a former Burlington executive and PaineWebber Inc. to prepare their takeover. The defendants denied the charges.

China's CITIC Jolts Banking Rivals



Rong Yiren, 70-year-old chairman and founder of CITIC.

By Nicholas D. Kristof

NEW YORK — To foreign business executives, the Chinese banking giant CITIC sometimes seems to be everything that the country is not: capitalist, bold, efficient, profitable.

"CITIC is the best-run company I've ever seen in China," said Richard Wong, manager of China operations for Bank of America. "The people are better trained, younger, more open-minded and less bureaucratic. They understand international business practices."

In keeping with such assessments, CITIC, or China International Trust & Investment Corp., is expanding both within China and abroad. The Chinese equivalent of Salomon Brothers and Citicbank rolled into one, its aggressiveness has aroused tensions and rivalries with more staid institutions, suggesting the difficulties that financial reform faces in this bureaucratic nation.

The government-run Bank of China, for example, is reportedly unhappy that CITIC will open a commercial bank this month called CITIC Industrial Bank, which can deal in foreign exchange and which will challenge the Bank of China on its own turf.

At the same time, CITIC is expanding around the globe. Last year alone, it acquired the failing Ka Wah Bank in Hong Kong, a 10 percent interest in an Australian aluminum smelter and a 50 percent interest in a

Canadian pulp mill. It also took over Citicor, a U.S. timber company in Washington state, by buying the 50 percent it did not already own. Its network of offices embraces Tokyo, Frankfurt, New York and Paris.

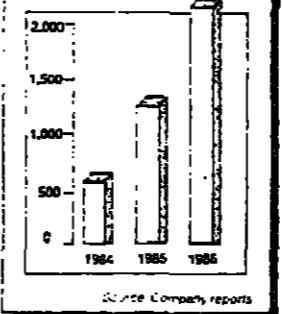
CITIC officials recently traveled to Chile and Brazil to look for investment opportunities. When Rong Yiren, the 70-year-old chairman of CITIC, was

asked whether it would not be peculiar for China to invest in Chile, which has a rightist military government frequently jails leftists, there was a long pause. "In the study tour of Chile, we did not encounter such things," Mr. Rong eventually replied. "Our principal concern is that we would have trouble in transportation, because it is so far away. But we will continue to study the matter."

Mr. Rong, who is not a member of the Communist Party, is the source of much of CITIC's pragmatism. In 1949 in Shanghai, as a young industrialist from one of the city's wealthiest families, he elected to stay in China after the Communist victory. He was rewarded and given a succession of good jobs and allowed to retain many of his business interests.

Citic's Assets Nearly Quadruple

Assets of the China International Trust and Investment Corporation in millions of U.S. dollars, converted at the current rate of 1:7 yuan to the dollar.



Bonn Reduces Growth Forecast On Gloomy Data

Compiled by Our Staff From Dispatches

BONN — The West German government acknowledged Wednesday that its forecast at the outset of the year for 2.5 percent economic growth in 1987 was probably too optimistic.

The five leading West German economic research institutes, sharply lowering their own forecasts for growth in the gross national product, predicted last month that the economy would only grow by 1 to 2 percent in 1987 after expanding by 2.4 percent last year.

Gross national product measures the total value of a nation's goods and services, including income from foreign investments.

Fresh economic statistics Wednesday confirmed the sluggish growth pattern. Industrial production declined by a provisional 3.2 percent in March after a 3.2 percent seasonal adjusted rise in February, the Economics Ministry said.

It blamed extremely bad weather for a setback in the construction sector, where output plunged by 24 percent.

The government also reported

that the West German unemployment rate fell to 8.8 percent in April from 9.6 percent in March. But Heinrich Franke, the Federal Labor Office president, cautioned that the decline in the jobless total to 2.21 million from 2.41 million was only a "seasonally caused improvement."

A major reason for the reduction, he said, was that companies compensated for the cutback in March hiring caused by the harsh weather.

Economics Minister Martin Bangemann announced that the government's outlook had turned more pessimistic during a parliamentary debate on the economy. He said that the dollar's fall had sent shock waves through many West German companies.

"I concede that the rate of growth in 1987 could lie somewhat below the figure in our forecast of January," he said.

The industrial production index, calculated from a 1980 base, stood at a provisional 100.8 in March, down from 104.1 in February and 100.9 in January, the Economics Ministry said.

(Reuters, AP)

Nakasone Concedes Meeting In U.S. Produced Few Results

Compiled by Our Staff From Dispatches

TOKYO — Prime Minister Yasuhiro Nakasone of Japan conceded Wednesday that he had failed to achieve everything he wanted during trade talks in Washington last week, but said he had made progress on important bilateral issues.

Mr. Nakasone told a parliamentary committee that he had done the best that could be expected, considering the hostile feeling in Washington against Japan and its huge trade surplus.

"I regret that I did not necessarily achieve sufficient results despite the efforts I made in Washington," he said.

In a joint statement issued at the end of his trip, Mr. Nakasone and President Ronald Reagan agreed that a further fall of the dollar could be counterproductive.

Mr. Reagan also suggested that \$300 million in punitive trade sanctions imposed last month against Japan might be lifted before the June meeting in Venice of leading industrialized democracies.

Washington imposed the tariffs on the ground that Japan had failed to live up to a joint pact governing trade in microchips.

Mr. Nakasone said that the inclusion of both issues — microchips and currency rates — in the joint statement could be considered a success.

He said he was convinced that the sanctions would be lifted if Japan presented specific figures showing it was no longer "dumping" chips, or selling them below cost, as U.S. officials alleged.

Also Wednesday, the Bank of Japan's governor, Satoshi Sumita, told the same parliamentary committee that Japan had no plans to lower the official discount rate, as requested by the United States, to stabilize the yen-dollar exchange rate.

He said later, however, that the central bank would continue to guide short-term interest rates lower, as Mr. Nakasone and Mr. Reagan had agreed in their talks. (Reuters, AFP)

Currency Rates

Table of currency rates for various countries including Amsterdam, Brussels, Frankfurt, London, Milan, New York, Paris, Tokyo, Zurich, and others.

Other Dollar Values: Currency per U.S. dollar, including rates for Argentina, Australia, Austria, and others.

Interest Rates: Table showing discount rates, prime rates, and other financial metrics for various countries.

Table of key money rates including discount rates, call money, and Treasury bills.

Table of U.S. money market funds with columns for fund names and yields.

Table of gold prices for various locations like Hong Kong, London, and New York.

Zambia's Break With IMF Sets African Precedent

NAIROBI — Zambia's decision to break with the International Monetary Fund after 12 years of austerity programs sets a precedent in Africa and challenges the credibility of traditional approaches to solving the continent's economic crisis, according to analysts.

African countries ranging from Mozambique to Zambia have swallowed the IMF's bitter medicine in the hope of restoring growth and stability to their battered economies. Some, such as Ghana, Somalia and Tanzania, appear to be achieving economic recovery as a result.

But last Friday, President Kenneth Kaunda of Zambia said that the IMF's latest conditions for resuming aid to his country were unacceptable and that his government would embark on a new policy of growth from its own resources.

He immediately abolished Zambia's IMF-inspired foreign exchange auction and revalued the kwacha to a fixed rate of 8 to the U.S. dollar, up from the auction rate of 21. He also said service payments on Zambia's \$5.1 billion external debt would be limited to about 5 percent of export earnings. Zambia's foreign exchange resources would be ploughed into production ventures in order to re-activate the economy, he said.

In a televised speech, Mr. Kaunda tore down the entire structure of economic liberalization that had been built up since Zambia signed its first loan agreement with the IMF in 1973. He imposed strict import controls, with a specific ban on luxury goods, and froze all prices.

Loan rates were fixed at 15 percent. Zambia's decision to break with the IMF after 12 years of austerity programs sets a precedent in Africa and challenges the credibility of traditional approaches to solving the continent's economic crisis, according to analysts.

Even Zaire, which last year re-established a fixed exchange rate for its currency and imposed a debt-service ceiling equivalent to 10 percent of exports, continued negotiating a new loan agreement with the IMF afterward, they said. Mr. Kaunda blamed Zambia's economic crisis on external factors, particularly the rise in oil prices during the 1970s at a time when world prices for the country's copper exports were falling. The government borrowed abroad to cover its balance-of-pay-

There is a certain lack of confidence on the part of foreign donors about the way economic reforms have been handled.

ments deficits, but since copper prices continued to decline, Zambia found itself with less and less foreign exchange to pay for imports and service its growing debt. Mr. Kaunda said per-capita income had fallen by two-thirds since 1981, to less than \$200, in a country where half the people are town dwellers and cannot produce their own food.

Indeed, food riots in December helped to convince the government that it could not impose many more economic restrictions without the risk of a social explosion.

Fifteen persons were killed in a week of rioting set off by a 120 percent rise in the price of refined cornmeal after the government lifted its subsidy on the staple food. The subsidy had been lifted as part of plans to cut the budget deficit, but it was reimposed within a few days to prevent further unrest.

There has been a lot of sympathy and support for Zambia, said a Western diplomat in Lusaka, the Zambian capital. But he, and many others, said the government had contributed to the collapse of its IMF program by failing to carry out economic reforms with enough political will. "There is a certain lack of confidence on the part of the foreign donors about the way the economic reforms have been handled," another Western diplomat said.

Advertisement for Jet Aviation featuring a watch and the text: 'Then she told us, You can't get there from here...'. Includes contact information for America/Boston and Europe/Zurich.

Advertisement for Corum watches featuring a large image of a watch and the text: 'CORUM The Romulus. An exclusive creation of watchmaking art. In London. Asprey 165-169 New Bond Street London W1Y 0AR'.

Advertisement for Bullish Investment Fund with text: 'BULLISH INVESTMENT FUND Société Anonyme d'Investissement Luxembourg, 37, rue Notre-Dame R.C. Luxembourg B 21.599'.

Advertisement for St. Regis Sheraton hotel featuring a portrait of a man and text: 'You have many places to go in New York. But only one place to stay. St. Regis Sheraton'.

Vol.	High	Low	Last	Chg.
USX	64.00	63.00	63.00	+0.25
AT&T	31.00	30.00	30.00	+0.25
Burlington	31.00	30.00	30.00	+0.25
IBM	260.00	250.00	250.00	+0.25
Amgen	260.00	250.00	250.00	+0.25
Amgen	260.00	250.00	250.00	+0.25
Amgen	260.00	250.00	250.00	+0.25
Amgen	260.00	250.00	250.00	+0.25
Amgen	260.00	250.00	250.00	+0.25
Amgen	260.00	250.00	250.00	+0.25

NYSE 2 a.m. volume	164,769,598
NYSE 2 a.m. adv. volume	22,633,718
NYSE 2 a.m. adv. volume	11,316,859
NYSE 2 a.m. adv. volume	14,547,440
NYSE 2 a.m. adv. volume	14,547,440

Composite	High	Low	Close	Prev. Day
NYSE Composite	164.24	164.54	164.24	+0.02
NYSE Industrial	164.24	164.54	164.24	+0.02
NYSE Financial	164.24	164.54	164.24	+0.02
NYSE Utility	164.24	164.54	164.24	+0.02

Wednesday's NYSE Closing
Via The Associated Press

Class	Prev.	Today	Chg.
Advanced	281	281	0
Declined	281	281	0
Unchanged	281	281	0
Total Issues	281	281	0
New Issues	281	281	0

Composite	High	Low	Close	Prev. Day
NASDAQ Composite	172.00	171.00	172.00	+0.25
NASDAQ Industrial	172.00	171.00	172.00	+0.25
NASDAQ Financial	172.00	171.00	172.00	+0.25
NASDAQ Utility	172.00	171.00	172.00	+0.25

Vol.	High	Low	Last	Chg.
USX	64.00	63.00	63.00	+0.25
AT&T	31.00	30.00	30.00	+0.25
Burlington	31.00	30.00	30.00	+0.25
IBM	260.00	250.00	250.00	+0.25
Amgen	260.00	250.00	250.00	+0.25

Category	Prev.	Today	Chg.
Bonds	77 1/2	77 1/2	0
Utilities	112 1/2	112 1/2	0
Industrials	112 1/2	112 1/2	0
New Issues	112 1/2	112 1/2	0

Class	Prev.	Today	Chg.
Advanced	77 1/2	77 1/2	0
Declined	77 1/2	77 1/2	0
Unchanged	77 1/2	77 1/2	0
Total Issues	77 1/2	77 1/2	0
New Issues	77 1/2	77 1/2	0

Month	Buy	Sales	Net
May 1	25,497	23,280	+2,217
May 2	25,497	23,280	+2,217
May 3	25,497	23,280	+2,217
May 4	25,497	23,280	+2,217
May 5	25,497	23,280	+2,217
May 6	25,497	23,280	+2,217
May 7	25,497	23,280	+2,217

Index	Open	High	Low	Last	Chg.
Industrial	229.22	229.22	229.22	229.22	+0.02
Financial	229.22	229.22	229.22	229.22	+0.02
Utility	229.22	229.22	229.22	229.22	+0.02
Composite	229.22	229.22	229.22	229.22	+0.02

Index	High	Low	Close	Prev. Day
Standard & Poor's	291.24	291.24	291.24	+0.02
Industrial	291.24	291.24	291.24	+0.02
Financial	291.24	291.24	291.24	+0.02
Utility	291.24	291.24	291.24	+0.02

Class	Prev.	Today	Chg.
Advanced	281	281	0
Declined	281	281	0
Unchanged	281	281	0
Total Issues	281	281	0
New Issues	281	281	0

High	Low	Close	Prev. Day	
AMEX Stock Index	328.77	328.77	328.77	+0.02
Industrial	328.77	328.77	328.77	+0.02
Financial	328.77	328.77	328.77	+0.02
Utility	328.77	328.77	328.77	+0.02

Tables include the nationwide prices up to the closing on Wall Street and do not reflect late trades elsewhere.

12 Month High	Low	Stock	Div.	Yld.	PE	52 Wk. High	Low	Close	Chg.
27 1/2	27 1/2	AAR				27 1/2	27 1/2	27 1/2	+0.125
27 1/2	27 1/2	AAI				27 1/2	27 1/2	27 1/2	+0.125
27 1/2	27 1/2	AAJ				27 1/2	27 1/2	27 1/2	+0.125
27 1/2	27 1/2	AAK				27 1/2	27 1/2	27 1/2	+0.125
27 1/2	27 1/2	AAI				27 1/2	27 1/2	27 1/2	+0.125

NYSE Lower in Late Trading

Compiled by Our Staff From Dispatches
NEW YORK — Prices on the New York Stock Exchange dipped Wednesday in afternoon trading amid a widespread perception that the second portion of the U.S. Treasury's quarterly refunding would produce mediocre demand.
 The resulting erosion of the dollar and bond markets triggered profit-taking among investors sensitive to higher interest rates. Technology issues, which were big gainers Tuesday, led the way down.
 Although most U.S. stock market tables in this edition are from the 4 P.M. close in New York, for time reasons, this article is based on the market at 3 P.M.
 At 3 P.M., the Dow Jones industrial average was off its low, but still down 3.41 points at 2,334.66, after surging 51.85 points on Tuesday. Losers outnumbered gainers by about 8-7. Volume totaled 164.76 million shares.
 The market's upsurge Tuesday was attributed to increased confidence about the outlook for the dollar and interest rates, and some of that bullishness continued early Wednesday before the profit-taking set in.
 On Tuesday, the Treasury began its \$29 billion, three-day quarterly auction of new securities with the sale of three-year notes, and the 10-year notes were set for sale Wednesday.
 A full appraisal of this refunding will not be possible until Thursday's offering of 30-year bonds is completed, analysts said.
 There are hopes that Japanese investors will overcome their caution on the weak dollar and

OPEC Output Rose Last Month, Exceeding Self-Imposed Ceiling

PARIS — Oil production by OPEC countries rose sharply in April and exceeded the cartel's self-imposed ceiling for the first time since January, the International Energy Agency said Wednesday.
 Five of the 13 members in the Organization of Petroleum Exporting Countries were exceeding their national quotas.
 OPEC has been attempting to limit overall production through June to 15.8 million barrels a day, but output was 16.6 million barrels daily in April.
 be strong bidders, because U.S. yields are now about 5 percentage points above comparable yields on Japanese securities.
 A successful Treasury financing could signal new stability for the dollar in foreign exchanges, and help limit the current rise in U.S. interest rates that is causing jitters in the stock market on fears of a recession.
 Burlington Industries climbed 4 1/2 to 63. Asst. Edelman, the New York financier and the Canadian company Dominion Textile raised the price of their bid for Burlington to \$67 from \$60 a share and began a tender offer.
 The NYSE's composite index of all its listed common stocks lost 0.34 point to 166.00. On the American Stock Exchange, the market value index was up 1.42 point at 329.71. (Reuters, AP)

AMEX Stock Index

High	Low	Close	Prev. Day	
AMEX Stock Index	328.77	328.77	328.77	+0.02
Industrial	328.77	328.77	328.77	+0.02
Financial	328.77	328.77	328.77	+0.02
Utility	328.77	328.77	328.77	+0.02

27 1/2	27 1/2	AAK				27 1/2	27 1/2	27 1/2	+0.125
27 1/2	27 1/2	AAI				27 1/2	27 1/2	27 1/2	+0.125
27 1/2	27 1/2	AAJ				27 1/2	27 1/2	27 1/2	+0.125
27 1/2	27 1/2	AAK				27 1/2	27 1/2	27 1/2	+0.125
27 1/2	27 1/2	AAI				27 1/2	27 1/2	27 1/2	+0.125

12 Month High	Low	Stock	Div.	Yld.	PE	52 Wk. High	Low	Close	Chg.
27 1/2	27 1/2	AAK				27 1/2	27 1/2	27 1/2	+0.125
27 1/2	27 1/2	AAI				27 1/2	27 1/2	27 1/2	+0.125
27 1/2	27 1/2	AAJ				27 1/2	27 1/2	27 1/2	+0.125
27 1/2	27 1/2	AAK				27 1/2	27 1/2	27 1/2	+0.125
27 1/2	27 1/2	AAI				27 1/2	27 1/2	27 1/2	+0.125

AMEX Most Actives

Vol.	High	Low	Last	Chg.
USX	64.00	63.00	63.00	+0.25
AT&T	31.00	30.00	30.00	+0.25
Burlington	31.00	30.00	30.00	+0.25
IBM	260.00	250.00	250.00	+0.25
Amgen	260.00	250.00	250.00	+0.25

AMEX Stock Index

High	Low	Close	Prev. Day	
AMEX Stock Index	328.77	328.77	328.77	+0.02
Industrial	328.77	328.77	328.77	+0.02
Financial	328.77	328.77	328.77	+0.02
Utility	328.77	328.77	328.77	+0.02

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Wednesday's NYSE Closing

Tables include the nationwide prices up to the closing on Wall Street and do not reflect late trades elsewhere.

12 Month High	12 Month Low	Stock	Div.	Yld. PE	52 High	52 Low	Close	Chg.	Open
17 1/2	17 1/2	QMS	0.00	1.7	18 1/4	17 1/2	17 1/2	+1/4	17 1/2
17 1/2	17 1/2	QMS	0.00	1.7	18 1/4	17 1/2	17 1/2	+1/4	17 1/2
17 1/2	17 1/2	QMS	0.00	1.7	18 1/4	17 1/2	17 1/2	+1/4	17 1/2
17 1/2	17 1/2	QMS	0.00	1.7	18 1/4	17 1/2	17 1/2	+1/4	17 1/2
17 1/2	17 1/2	QMS	0.00	1.7	18 1/4	17 1/2	17 1/2	+1/4	17 1/2

12 Month High	12 Month Low	Stock	Div.	Yld. PE	52 High	52 Low	Close	Chg.	Open
17 1/2	17 1/2	QMS	0.00	1.7	18 1/4	17 1/2	17 1/2	+1/4	17 1/2
17 1/2	17 1/2	QMS	0.00	1.7	18 1/4	17 1/2	17 1/2	+1/4	17 1/2
17 1/2	17 1/2	QMS	0.00	1.7	18 1/4	17 1/2	17 1/2	+1/4	17 1/2
17 1/2	17 1/2	QMS	0.00	1.7	18 1/4	17 1/2	17 1/2	+1/4	17 1/2
17 1/2	17 1/2	QMS	0.00	1.7	18 1/4	17 1/2	17 1/2	+1/4	17 1/2

12 Month High	12 Month Low	Stock	Div.	Yld. PE	52 High	52 Low	Close	Chg.	Open
17 1/2	17 1/2	QMS	0.00	1.7	18 1/4	17 1/2	17 1/2	+1/4	17 1/2
17 1/2	17 1/2	QMS	0.00	1.7	18 1/4	17 1/2	17 1/2	+1/4	17 1/2
17 1/2	17 1/2	QMS	0.00	1.7	18 1/4	17 1/2	17 1/2	+1/4	17 1/2
17 1/2	17 1/2	QMS	0.00	1.7	18 1/4	17 1/2	17 1/2	+1/4	17 1/2
17 1/2	17 1/2	QMS	0.00	1.7	18 1/4	17 1/2	17 1/2	+1/4	17 1/2

12 Month High	12 Month Low	Stock	Div.	Yld. PE	52 High	52 Low	Close	Chg.	Open
17 1/2	17 1/2	QMS	0.00	1.7	18 1/4	17 1/2	17 1/2	+1/4	17 1/2
17 1/2	17 1/2	QMS	0.00	1.7	18 1/4	17 1/2	17 1/2	+1/4	17 1/2
17 1/2	17 1/2	QMS	0.00	1.7	18 1/4	17 1/2	17 1/2	+1/4	17 1/2
17 1/2	17 1/2	QMS	0.00	1.7	18 1/4	17 1/2	17 1/2	+1/4	17 1/2
17 1/2	17 1/2	QMS	0.00	1.7	18 1/4	17 1/2	17 1/2	+1/4	17 1/2

12 Month High	12 Month Low	Stock	Div.	Yld. PE	52 High	52 Low	Close	Chg.	Open
17 1/2	17 1/2	QMS	0.00	1.7	18 1/4	17 1/2	17 1/2	+1/4	17 1/2
17 1/2	17 1/2	QMS	0.00	1.7	18 1/4	17 1/2	17 1/2	+1/4	17 1/2
17 1/2	17 1/2	QMS	0.00	1.7	18 1/4	17 1/2	17 1/2	+1/4	17 1/2
17 1/2	17 1/2	QMS	0.00	1.7	18 1/4	17 1/2	17 1/2	+1/4	17 1/2
17 1/2	17 1/2	QMS	0.00	1.7	18 1/4	17 1/2	17 1/2	+1/4	17 1/2

12 Month High	12 Month Low	Stock	Div.	Yld. PE	52 High	52 Low	Close	Chg.	Open
17 1/2	17 1/2	QMS	0.00	1.7	18 1/4	17 1/2	17 1/2	+1/4	17 1/2
17 1/2	17 1/2	QMS	0.00	1.7	18 1/4	17 1/2	17 1/2	+1/4	17 1/2
17 1/2	17 1/2	QMS	0.00	1.7	18 1/4	17 1/2	17 1/2	+1/4	17 1/2
17 1/2	17 1/2	QMS	0.00	1.7	18 1/4	17 1/2	17 1/2	+1/4	17 1/2
17 1/2	17 1/2	QMS	0.00	1.7	18 1/4	17 1/2	17 1/2	+1/4	17 1/2

EC Commission Says Progress Is Too Slow in Ending Trade Barriers

BRUSSELS—Progress toward scrapping all trade barriers in the European Community by 1992 has been disappointing, the EC's executive body said Wednesday.

EC government leaders agreed two years ago to break down by 1992 all remaining trade barriers and border controls in the 12-nation community. Their goal was to allow the free flow of goods and capital in the trading bloc of 320 million people.

But too often EC ministers have failed to make decisions fast enough to meet the deadline, the European Commission warned in its second annual report on the implementation of the internal market.

"The record is frankly disappointing," it said. The commission has estimated that the abolition of border controls would save EC member nations about \$7 billion a year. It particularly blamed agricultural and finance ministers for failing to make decisions on the agricultural sector, the most costly and widely disputed issue in the EC.

NYSE Highs-Lows

NEW HIGHS	NEW LOWS
AGS Corp	AmFamCo
American	Artemis
Anchor	Artemis
Anchor	Artemis
Anchor	Artemis
Anchor	Artemis
Anchor	Artemis
Anchor	Artemis
Anchor	Artemis
Anchor	Artemis
Anchor	Artemis

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THE TASTE OF SUCCESS
Cutty Sark
Scotch Whisky

Wednesday's AMEX Closing

Tables include the nationwide prices up to the closing on Wall Street and do not reflect late trades elsewhere. In The Associated Press

12 Month High/Low	Stock	Div. Yld PE	52 Wk High/Low	Close	Chg
10 1/2	ABT	0.00	10 1/2-10 1/2	10 1/2	0
11 1/2	ABT	0.00	11 1/2-11 1/2	11 1/2	0
12 1/2	ABT	0.00	12 1/2-12 1/2	12 1/2	0
13 1/2	ABT	0.00	13 1/2-13 1/2	13 1/2	0
14 1/2	ABT	0.00	14 1/2-14 1/2	14 1/2	0
15 1/2	ABT	0.00	15 1/2-15 1/2	15 1/2	0
16 1/2	ABT	0.00	16 1/2-16 1/2	16 1/2	0
17 1/2	ABT	0.00	17 1/2-17 1/2	17 1/2	0
18 1/2	ABT	0.00	18 1/2-18 1/2	18 1/2	0
19 1/2	ABT	0.00	19 1/2-19 1/2	19 1/2	0
20 1/2	ABT	0.00	20 1/2-20 1/2	20 1/2	0

12 Month High/Low	Stock	Div. Yld PE	52 Wk High/Low	Close	Chg
21 1/2	ABT	0.00	21 1/2-21 1/2	21 1/2	0
22 1/2	ABT	0.00	22 1/2-22 1/2	22 1/2	0
23 1/2	ABT	0.00	23 1/2-23 1/2	23 1/2	0
24 1/2	ABT	0.00	24 1/2-24 1/2	24 1/2	0
25 1/2	ABT	0.00	25 1/2-25 1/2	25 1/2	0
26 1/2	ABT	0.00	26 1/2-26 1/2	26 1/2	0
27 1/2	ABT	0.00	27 1/2-27 1/2	27 1/2	0
28 1/2	ABT	0.00	28 1/2-28 1/2	28 1/2	0
29 1/2	ABT	0.00	29 1/2-29 1/2	29 1/2	0
30 1/2	ABT	0.00	30 1/2-30 1/2	30 1/2	0

12 Month High/Low	Stock	Div. Yld PE	52 Wk High/Low	Close	Chg
31 1/2	ABT	0.00	31 1/2-31 1/2	31 1/2	0
32 1/2	ABT	0.00	32 1/2-32 1/2	32 1/2	0
33 1/2	ABT	0.00	33 1/2-33 1/2	33 1/2	0
34 1/2	ABT	0.00	34 1/2-34 1/2	34 1/2	0
35 1/2	ABT	0.00	35 1/2-35 1/2	35 1/2	0
36 1/2	ABT	0.00	36 1/2-36 1/2	36 1/2	0
37 1/2	ABT	0.00	37 1/2-37 1/2	37 1/2	0
38 1/2	ABT	0.00	38 1/2-38 1/2	38 1/2	0
39 1/2	ABT	0.00	39 1/2-39 1/2	39 1/2	0
40 1/2	ABT	0.00	40 1/2-40 1/2	40 1/2	0

12 Month High/Low	Stock	Div. Yld PE	52 Wk High/Low	Close	Chg
41 1/2	ABT	0.00	41 1/2-41 1/2	41 1/2	0
42 1/2	ABT	0.00	42 1/2-42 1/2	42 1/2	0
43 1/2	ABT	0.00	43 1/2-43 1/2	43 1/2	0
44 1/2	ABT	0.00	44 1/2-44 1/2	44 1/2	0
45 1/2	ABT	0.00	45 1/2-45 1/2	45 1/2	0
46 1/2	ABT	0.00	46 1/2-46 1/2	46 1/2	0
47 1/2	ABT	0.00	47 1/2-47 1/2	47 1/2	0
48 1/2	ABT	0.00	48 1/2-48 1/2	48 1/2	0
49 1/2	ABT	0.00	49 1/2-49 1/2	49 1/2	0
50 1/2	ABT	0.00	50 1/2-50 1/2	50 1/2	0

12 Month High/Low	Stock	Div. Yld PE	52 Wk High/Low	Close	Chg
51 1/2	ABT	0.00	51 1/2-51 1/2	51 1/2	0
52 1/2	ABT	0.00	52 1/2-52 1/2	52 1/2	0
53 1/2	ABT	0.00	53 1/2-53 1/2	53 1/2	0
54 1/2	ABT	0.00	54 1/2-54 1/2	54 1/2	0
55 1/2	ABT	0.00	55 1/2-55 1/2	55 1/2	0
56 1/2	ABT	0.00	56 1/2-56 1/2	56 1/2	0
57 1/2	ABT	0.00	57 1/2-57 1/2	57 1/2	0
58 1/2	ABT	0.00	58 1/2-58 1/2	58 1/2	0
59 1/2	ABT	0.00	59 1/2-59 1/2	59 1/2	0
60 1/2	ABT	0.00	60 1/2-60 1/2	60 1/2	0

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Floating-Rate Notes

Issuer/Agmt	Common	Next	54d	Asset
U.S. Dollars				
Alberici 97	4.375	4.75	92.23	92.23
Alberici 98	4.375	4.75	92.23	92.23
Alberici 99	4.375	4.75	92.23	92.23
Alberici 00	4.375	4.75	92.23	92.23
Alberici 01	4.375	4.75	92.23	92.23
Alberici 02	4.375	4.75	92.23	92.23
Alberici 03	4.375	4.75	92.23	92.23
Alberici 04	4.375	4.75	92.23	92.23
Alberici 05	4.375	4.75	92.23	92.23
Alberici 06	4.375	4.75	92.23	92.23
Alberici 07	4.375	4.75	92.23	92.23
Alberici 08	4.375	4.75	92.23	92.23
Alberici 09	4.375	4.75	92.23	92.23
Alberici 10	4.375	4.75	92.23	92.23
Alberici 11	4.375	4.75	92.23	92.23
Alberici 12	4.375	4.75	92.23	92.23
Alberici 13	4.375	4.75	92.23	92.23
Alberici 14	4.375	4.75	92.23	92.23
Alberici 15	4.375	4.75	92.23	92.23
Alberici 16	4.375	4.75	92.23	92.23
Alberici 17	4.375	4.75	92.23	92.23
Alberici 18	4.375	4.75	92.23	92.23
Alberici 19	4.375	4.75	92.23	92.23
Alberici 20	4.375	4.75	92.23	92.23

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Belgium	B.Fr.	11,000	6,000	3,300	B.Fr. 19.78	B.Fr. 7,130
Denmark	D.Kr.	2,500	1,400	770	D.Kr. 3.13	D.Kr. 1,183
Finland	F.M.	1,730	950	520	F.M. 3.25	F.M. 1,139
France	F.F.	1,500	820	450	F.F. 2.88	F.F. 1,048
Germany*	D.M.	580	320	175	D.M. 1.11	D.M. 404
Gr. Britain	£	130	72	40	£ 0.19	£ 69
Greece	Dr.	22,000	12,000	6,600	Dr. 49.56	Dr. 18,040
Ireland	£.Irl.	150	82	45	£.Irl. 0.29	£.Irl. 106
Italy	Lire	380,000	210,000	115,000	Lire 756	Lire 275,200
Luxembourg	L.Fr.	11,500	6,300	3,400	L.Fr. 18.41	L.Fr. 6,700
Netherlands	Fl.	650	360	198	Fl. 1.21	Fl. 440
Norway*	N.Kr.	1,800	990	540	N.Kr. 3.05	N.Kr. 1,110
Portugal	Esc.	22,000	12,000	6,600	Esc. 64.56	Esc. 23,500
Spain*	Ptas.	29,000	16,000	8,800	Ptas. 55.33	Ptas. 20,140
Sweden*	S.Kr.	1,800	990	540	S.Kr. 3.05	S.Kr. 1,110
Switzerland	S.Fr.	510	280	154	S.Fr. 1.10	S.Fr. 400
Rest of Europe, North Africa, former French Africa, Middle East \$		430	230	125		
Rest of Africa, Gulf States, Asia \$		580	320	175		
					Varies by country	

Herald Tribune

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Selected U.S./B.C. QUOTATIONS

Bitler Corp.	2 1/4	2 3/4
Chiron	3 1/4	3 3/4
GoodMark Foods	1 1/4	1 1/4
AMG Holdings	2 1/2	3 1/4
NAV-AIR	3	3 1/2
Spectradyne	2 1/4	3 1/4

WITH COMMENTS OF CONTINENTAL AMERICAN
These are indicative prices as of Apr. 30, 1987.

Weekly net asset value

Tokyo Pacific Holdings N.V.
on April 27, 1987: U.S. \$202.80

Listed on the Amsterdam Stock Exchange

Information: Pierson, Holding & Pierson N.V., Herengracht 214, 1016 BS Amsterdam.

Deutsche Marks

Austria	4.80	2.60	1.45
Belgium	11.00	6.00	3.30
Denmark	2.50	1.40	0.77
Finland	1.73	0.95	0.52
France	1.50	0.82	0.45
Germany*	0.58	0.32	0.18
Gr. Britain	0.13	0.07	0.04
Greece	22.00	12.00	6.60
Ireland	0.15	0.08	0.04
Italy	380,000	210,000	115,000
Luxembourg	11,500	6,300	3,400
Netherlands	0.65	0.36	0.20
Norway*	1,800	990	540
Portugal	22,000	12,000	6,600
Spain*	29,000	16,000	8,800
Sweden*	1,800	990	540
Switzerland	0.51	0.28	0.15

Japanese Yen

Rest of Europe, North Africa, former French Africa, Middle East \$	430	230	125
Rest of Africa, Gulf States, Asia \$	580	320	175

BUSINESS ROUNDUP

Fomon Retires as Hutton Chairman

Compiled by Our Staff From Dispatches
NEW YORK — The chairman of E.F. Hutton Group Inc., Robert Fomon, retired Wednesday, ending his 17-year tenure as the head of the big brokerage company that was marred by a check-overdrafting scandal in 1985.

Mr. Fomon, who worked his way up in Hutton's West Coast corporate finance department, helped build Hutton into one of the most successful brokerage firms, one of the 10 largest on Wall Street, with capital of nearly \$1 billion.

But his career was tarnished two years ago, when the firm pleaded guilty to 2,000 counts of federal mail and wire fraud in connection with a large-scale check-overdrafting scheme.

Trafalgar Profit Falls 26%; Group Cites QE2 Refitting

Compiled by Our Staff From Dispatches
LONDON — Trafalgar House PLC, the property, engineering and shipping group, reported Wednesday that pretax profit for the first six months of its fiscal year fell 26 percent from a year earlier.

The company said pretax profit for the six months ended March 31 fell to £54.1 million (\$91 million at current exchange rates) from £72.7 million in the first half a year earlier. Earnings per share fell to 11 pence (18.5 cents) from 16.7 pence.

Revenue was flat at £1.03 billion, compared with £976 million. The company attributed the decline in part to unusually high profit a year earlier and to the refitting of the Queen Elizabeth 2, which put the ship out of service during the latest period.

close at 369 pence on the London Stock Exchange, up from 348 Tuesday.

Some analysts said they had been expecting slightly worse results, with a pretax profit of about £50 million. Trafalgar's share price rose after the announcement to

the 10 largest on Wall Street, with capital of nearly \$1 billion. But his career was tarnished two years ago, when the firm pleaded guilty to 2,000 counts of federal mail and wire fraud in connection with a large-scale check-overdrafting scheme.

While no Hutton executives were charged in the case, the scandal hurt Hutton and led to Mr. Fomon's fall from power.

Officials at the firm said that Mr. Fomon would be in a position to provide advice on corporate finance, mergers and buyouts, which hopes to do through a small investment banking "boutique."

These sources said it was not clear who, if anyone, would be appointed chairman. But they said that the job would not go to the chief executive officer, Robert P. Ritterreiser. They added that the title was likely to be given to one of the firm's outside directors.

Investors Service Inc., which noted that Ford is in the fifth year of an earnings recovery. The companies' senior notes, debentures and European debt were upgraded to AA-2 from A-1. The credit unit's subordinated debt was upgraded to AA-3 from A-2.

Marks & Spencer Pretax Profit Advances 18%

The Associated Press
LONDON — Marks & Spencer PLC, Britain's largest retailer, said Wednesday that pretax profit for the year ending March 31 jumped 18 percent to £432.1 million (\$730 million at current exchange rates) from £365.8 million the previous year.

The company cited a 13.5 percent gain in sales to £4.2 billion from £3.7 billion, despite often unseasonable weather in the period.

Net profit attributable to shareholders surged 24 percent to £276 million from £222.4 million, with earnings per share rising to 10.4 pence from 8.4 pence. The annual dividend rose to 4.5 pence per share from 3.9 pence.

Dome Plans to Sign Merger With Amoco by May 14

United Press International
TORONTO — Dome Petroleum Ltd. said Wednesday that it planned to sign a definitive merger accord with Amoco Corp. by May 14, when Dome is scheduled to meet lenders who are demanding details of the U.S. oil giant's \$3.86 billion bid.

Analysts said that the announcement may prompt other suitors to sweeten their bids for Dome, a debt-ridden oil and gas company, before the meeting in an attempt to sway creditors.

DeWolf Shaw of McCarthy Securities Ltd. in Toronto said that new bids for Dome might be submitted by TransCanada PipeLines Ltd. and Exxon Corp., whose earlier offers were rejected.

Despite an agreement in principle between Dome and Amoco, analysts say that Dome must consider

any new bid. The Canadian company has \$4.6 billion in debt and assets of \$3.7 billion.

In Calgary, Alberta, a spokesman for Dome said company officials would meet May 14 in Toronto with about 60 lenders to present details of Amoco's bid. Dome will not seek approval of the proposal, he said, but approval must come before the transaction closes.

Mr. Icahn, who became chairman after taking over the airline last year, cited strong growth in trans-Atlantic air traffic. TWA holds an approximate 12 percent share of that market and is the largest single carrier on the route.

France to Set Share Price For Public Offering of CGE

Reuters
PARIS — The French government will set the share price Thursday for Compagnie Générale d'Electricité, the state-owned industrial giant that will be sold off next week, banking and broker sources said Wednesday.

The offering will be the largest so far under the five-year denationalization plan of Prime Minister Jacques Chirac. It is the second industrial group, after Compagnie de Saint-Gobain, the glassmaker, to be turned over to the private sector under the program.

CGE, created in 1898 to produce and sell electricity, was nationalized in 1982 by the Socialist administration then in power. With worldwide interests ranging from telephones to railways and nuclear engineering, CGE is the third-largest French industrial group in terms of revenue, after Elf Aquitaine and Total, the oil companies.

In January, CGE and ITT joined to form the second largest telecommunications group in the world, after American Telephone & Telegraph Co.

CGE reported 1986 consolidated net profit of 1.72 billion francs (\$290 million), a 45.8 percent increase from 1.18 billion francs in 1985, on revenue of 80.9 billion francs, compared with 71.9 billion. Pierre Suard, CGE's chairman, recently forecast that 1987 group

profit and revenue would show a 60 percent increase.

Banking sources put the value of the flotation, scheduled Monday, at about 12 billion francs. To this will be added an estimated 4 billion to 7 billion francs from a share issue that is planned to raise capital along with the public launch.

The sources said that the denationalization in February of Compagnie Financière de Paris, which was 40 times oversubscribed, raised about 11 billion francs.

In trying to avoid a repeat of the Paris oversubscription, CGE plans to split each of its existing shares into three. Current share capital is 950 million francs, or 9.5 million shares.

CGCT was sold by the French government last month to a consortium of France's government-owned military and electronics group, Matra, and L.M. Ericsson of Sweden. The new name is an acronym of Matra-Ericsson Telecommunications, a spokesman said.

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Citicorp Plans To Fully Own Clarke Vickers

New York Times Service
NEW YORK — In a move to bolster its investment banking operations outside the United States, Citicorp is acquiring full ownership of its Australian stock brokerage subsidiary.

Citicorp, the largest U.S. bank holding company, said Tuesday it would acquire the 50 percent of Clarke Vickers Ltd. that it does not own. With headquarters in Melbourne and offices in Sydney and London, Clarke Vickers is one of Australia's largest brokerage firms.

Citicorp has two other foreign brokerage units, Vickers de Costa and Springour Kemp-Ge, both based in London.

Its Quotron Systems Inc. unit provides stock data to investors worldwide.

Disney Project Approved
BURBANK, California — Walt Disney Co. said Wednesday that it had been granted an option on a 40-acre site in Burbank where it plans to build a theme park, shopping center and hotel complex. The project would feature street performers, live theater, animation tours, operating radio and media centers, hotels and stores.

COMPANY NOTES

BSN, the French food and beverage group, said it expects consolidated net profit for 1987 to rise at least 20 percent. The company reported 1.08 billion francs (\$181.8 million) in consolidated net profit, attributable to shareholders, last year. BSN also predicted that revenue would rise 19 percent in 1987, to 40 billion francs from 33.6 billion francs.

CRA Ltd., the Australian mining company, has agreed to take over the stake of CSR Ltd., the sugar, mining and building materials group, in their Yandi-coogina 50/50 joint venture in western Australia. The companies provided no details.

Data General Corp. introduced a full-function laptop personal computer, the Data General/One Model 2T. The computer, which is compatible with the IBM PC/XT and weighs less than 12 pounds (5.4 kilograms), will cost \$1,695 in its basic form.

Elfers DLK Ltd., the Australian brewer, said its British subsidiary, Courage Ltd., would join Grand Metropolitan PLC's Watney Mann and Truman Brewers Ltd. in brewing and selling Foster's Lager in Britain. Grand Metropolitan also will buy Courage's Saccone & Speed and Roberts & Cooper units for \$50 million.

New Owners Change CGCT's Name to MET

Reuters
PARIS — Compagnie Générale de Constructions Téléphoniques, France's second largest telephone-switching supplier, has been renamed MET.

CGCT was sold by the French government last month to a consortium of France's government-owned military and electronics group, Matra, and L.M. Ericsson of Sweden. The new name is an acronym of Matra-Ericsson Telecommunications, a spokesman said.

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Ermenegildo Zegna



The London Season
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NEW ISSUE APRIL 1987

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NEW ISSUE APRIL 1987

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INTERNATIONAL FUNDS (Quotations Supplied by Funds Listed) 6th May 1987

Table of international fund quotations including categories like International Income Fund, International Equity Fund, and International Bond Fund. Columns include fund name, share price, and other financial metrics.

U.S. Futures

Table of U.S. futures market data including categories like Grains, Food, Metals, and Livestock. Columns include contract name, price, and change.

Currency Options

Table of currency options data including categories like Philadelphia Exchange and Palladium (NYMEX). Columns include contract name, price, and change.

Stock Indexes

Table of stock index data including categories like NYSE Comp. Index (NYSE) and S&P 100 Index Options. Columns include index name, value, and change.

INTERNATIONAL CLASSIFIED

Large classified advertisement section with multiple sub-sections: Employment, Collectors, Legal Services, Access Voyages, Autos Tax Free, and more. Includes contact information for various services.

Paris Commodities

Table of Paris commodities market data including categories like SUGAR, COCOA, and COFFEE. Columns include contract name, price, and change.

London Commodities

Table of London commodities market data including categories like SUGAR, COCOA, and COFFEE. Columns include contract name, price, and change.

Dividends

Table of dividend data including categories like ACCO IN A B, Diamond Shamrock, and others. Columns include company name, dividend amount, and date.

The Global Newspaper.

Large advertisement for 'The Global Newspaper' featuring a globe graphic and text describing the newspaper's international reach and subscription information.

CURRENCY MARKETS

Dollar Little Changed in Europe

LONDON — The dollar closed little changed to firmer in Europe Wednesday after a featureless day's trading. After opening above Tuesday's close, the currency was buoyed by short-covering and speculative position-taking, dealers said, and held to a relatively narrow range throughout the day. They added that underlying sentiment was still bearish, but that the market wanted to gauge the response to the current U.S. Treasury refunding before making any further moves. In London, the dollar closed at 1.7715 Deutsche marks, up from Tuesday's close of 1.7685, and at 139.05 yen, up from 138.59. It also rose against the British pound, which closed at \$1.6850, down from \$1.6885. Dealers cautioned that the pause in the dollar's fall was likely to be only temporary. "It's still a pretty poor outlook for the dollar," one commented. The United States was auctioning 10-year Treasury notes Wednesday and 30-year bonds Thursday. Dealers said they expected only limited interest from foreign investors, particularly the Japanese, despite some recent upward adjustments in U.S. short-term interest rates and corresponding downward moves in Japan. The message from those adjustments, they said, is that there is still a lack of confidence in the dollar, and that only an increase in the U.S. discount rate, the rate from which all others flow, would stand a chance of reversing the bearish sentiment. At midday in New York, the dollar was also little changed from Tuesday's closing. "It's been remarkably quiet," a senior trader at a major New York bank said. "People were not willing to do anything much this morning." The dollar drifted down to 1.7725 DM at midsession in New York from 1.7740 Tuesday and edged up to 139.15 yen from 138.85. Pessimism about the dollar continued to be reinforced by skepticism about last week's talks between President Ronald Reagan and Prime Minister Yasuhiro Nakasone of Japan and disappointment that they did not produce more concrete measures to deal with the U.S.-Japan trade problem, dealers said. Comments by the Bank of Japan governor, Satoshi Sumita, on Wednesday had no effect on trading, dealers said.

London Dollar Rates

Table with columns: Currency, Rate, Change. Includes Deutsche mark, Swiss franc, Japanese yen, French franc.

Mr. Sumita told a Japanese parliamentary committee that Japan had no plans to lower its official discount rate, as requested by the United States, to stabilize the yen/dollar exchange rate. He said later, however, that the central bank would continue to guide short-term interest rates lower, as Mr. Nakasone and Mr. Reagan had agreed in their talks. Sterling, meanwhile, had another buoyant day as market confidence continued that Prime Minister Margaret Thatcher was on the verge of calling for and winning a general election. Dealers reported intervention by the Bank of England to cap sterling's continuing rise in early trading Wednesday, but there was no further evidence of central bank activity during the day. Pressure for another half-point cut in British base rates continued in the wake of Tuesday's very healthy British reserves data, dealers said, with London money-market rates now discounting a fall from 9.5 percent to 9 percent. The pound closed at 73.7 on its trade-weighted index, its highest level since July, compared with 73.5 at Tuesday's close. In earlier European trading Wednesday, the dollar was fixed in Frankfurt at 1.7669 DM, up from 1.7640 at Tuesday's fixing, and in Paris at 5.9385 Swiss francs, up from 5.9040. It closed in Zurich at 1.4567 Swiss francs, up from 1.4513.

N.Y. Fed Official Warns Japan on Market Barriers

WASHINGTON — E. Gerald Corrigan, president of the Federal Reserve Bank of New York, said Wednesday that Japan would have to take additional steps to open its financial markets to American firms before he would approve greater access to U.S. markets for the Japanese. Testifying before the Senate Budget Committee, Mr. Corrigan said that progress toward increased access to Japanese markets "has been good, but not good enough." He said he wanted to see improvement in two key areas: access to the Tokyo Stock Exchange for American firms and licensing of U.S. banks' securities affiliates in Japan. In November, Mr. Corrigan granted two Japanese firms authority to act as primary dealers in the U.S. securities market and said that wider access would depend on liberalization in Japan. On Wednesday, he said that no new decisions would be made within six weeks. Mr. Corrigan said that the U.S. authorities put greatest importance on reaching an agreement on uniform standards for minimum bank capital.

(Continued from first finance page) supplies logs to China, which is short of forestland. Domestic investment often is joint ventures with foreign companies. These range from manufacturing elevators to mining coal to building railways. CITIC also offers consulting and legal services to investors, such as those involved in the Great Wall Sheraton Hotel in Beijing. Arms trading, through its Poly Technologies subsidiary, The unit has imported radar systems, ambulances and aircraft to China and is hoping to expand through arms exports to other developing countries. These lines of business have been profitable for CITIC. According to its profit and loss statements, which do not appear to have been audited by an outside accounting firm, the company's earnings have quadrupled in the past two years, to \$136 million in 1986. Total assets have nearly quadrupled in that time, to \$2.16 billion. At times, CITIC's bold growth has displaced other Chinese institutions. In January, CITIC bought 12.5 percent of Cathay Pacific Airways, Hong Kong's airline, for nearly \$250 million, in a transaction that was closed in just one week. Everyone in Hong Kong assumed that the purchase had been approved by China's highest political leaders. Now it seems that CITIC made the investment on its own. Mr. Rong said that approval from China's State Council had been unnecessary, although CITIC had been in "contact" with some senior members of the council. However, the head of CAAC, China's state airline, reportedly learned of the purchase when he read about it in the newspapers. Then there are the tensions with the Bank of China, which until recently was the only bank in China permitted to deal in foreign exchange. Now it will face competition from CITIC and also from the Shanghai-based Bank of Communications, which is also setting up a national banking service. The competition among the institutions is not just for customers but for staff. There is an acute shortage in China of English-speaking professionals familiar with international banking practices. There was the time, about two and a half years ago, when CITIC took the search for new employees to a rare extreme: It advertised in a Beijing newspaper. No one answered to fill jobs in China, and the notice attracted a swarm of applicants, many from the Bank of China. The Bank of China rallied its supporters in the government, and two days later CITIC withdrew the ad, presumably because somebody

in the government convinced it that its approach was unseemly. "Our aim is to acquire as many talented young people as possible," Yao Wei, the head of CITIC's member operations in Washington, said in a telephone interview in which he spoke fluent English. "China has not trained very many people over the last 30 years, so we have to do on-the-job training." One Japanese executive in Beijing said that CITIC sometimes was

has his family fortune, which was restored to him after the Cultural Revolution. CITIC seems to have been unaffected by the four-month campaign against bourgeois liberalization that has constrained intellectual life and slowed economic reforms. One reason may be the friendship between Mr. Rong and Li Xian-nian, China's president, who is regarded as wary of rapid economic change but is believed to have helped Mr. Rong at various times in the past. Asked about their association, Mr. Rong noted that for some time and then passed that he had known President Li since shortly after the 1949 Communist victory, but he did not elaborate.

CITIC seems to have been unaffected by the campaign against liberalization that has constrained Chinese intellectual life and has slowed economic reforms.

dumping ground for children of high Chinese officials, who see it as an avenue to an excellent career with opportunities to live abroad. But the executive added that while nepotism sometimes causes problems, the children of senior officials are often worldly, well-educated and an asset to the company. Mr. Rong's own son, Larry, is a well-regarded executive of CITIC in Hong Kong. CITIC attracts young people partly through salaries, which are a bit higher than those paid by the Bank of China, the Foreign Ministry and other prestigious employers. But salaries are still tiny by Western standards. Mr. Rong, for example, said he earned about \$135 a month, although he clearly receives substantial perquisites and

French Bank Sets Share Allotment

PARIS — Individual investors in last month's public offering of Banque Industrielle et Mobiliere Privée will receive one and a half shares each, the Finance Ministry said Wednesday. It said that the sale of 833,783 shares, or 39 percent of BIMP's capital, at 140 francs (\$23.70) each had been 29 times oversubscribed. A total of 24.3 million shares were requested. Only 523,640 individuals who placed orders will receive shares. The bank will be quoted on the Paris Bourse beginning May 7.

Wednesday's OTC Prices NASDAQ prices as of 3 p.m. New York time. Via The Associated Press

Large table of OTC prices with columns for stock symbols, prices, and changes.

Large table of stock prices with columns for stock symbols, prices, and changes.

Large table of stock prices with columns for stock symbols, prices, and changes.

Table of stock prices with columns for stock symbols, prices, and changes.

Table of stock prices with columns for stock symbols, prices, and changes.

Wednesday's AMEX Closing Tables include the nationwide prices up to the closing on Wall Street and do not reflect late trading elsewhere.

Table of AMEX closing prices with columns for stock symbols, prices, and changes.

Table of AMEX High-Lows with columns for stock symbols, high, low, and change.

Table of AMEX New Highs and New Lows with columns for stock symbols, price, and date.

Table of stock prices with columns for stock symbols, prices, and changes.

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TO OUR READERS: The International Herald Tribune has recently modified its subscription rates to reflect the increase in the cost of printing and distribution. We are sorry that we cannot offer you a lower rate, but we hope you will understand our position. Please contact your subscription agent for more information.

SPORTS

Bell Carries No-Hitter Into Ninth; Orioles Win, 5-4

Compiled by Our Staff From Dispatches
MINNEAPOLIS — Rookie Eric Bell knew he was holding the Minnesota Twins...

BASEBALL ROUNDUP

his ninth major league start, held Minnesota to only one baserunner (a fourth-inning walk to Steve Lombardozzi) over the first eight innings of Baltimore's 5-4 victory Tuesday.

"I don't know much about that," Bell said when told that no one has ever pitched a no-hitter in the five-year-old Metrodome, where a major league-high 223 home runs were hit last season.

"I felt good, real good," said Bell, 3-1. "Once I stepped on the mound, I knew my rhythm was there and I just had to not overthink it. I can't remember a game where I've had all three pitches — fastball, curveball and changeup — going like they did tonight. After the fifth inning I knew I had no-hitter. You have to be crazy if you don't."

Nieto ended Bell's bid to become the first rookie to pitch a no-hitter since Oakland's Mike Warren on Sept. 29, 1983, against Chicago. Four Orioles have thrown no-hitters, the last by Jim Palmer against Oakland on August 1, 1962.

One out after Nieto's single, Lombardozzi singled home Gagne. That was all for Bell, who had struck out seven. "We were happy that they took the kid out," said Tom Kelly, the Minnesota manager. "We weren't doing a thing against him. We were a little embarrassed by him."

Dave Schmidt replaced Bell and yielded a three-run homer to Kirby Puckett and a single to Gary Gaetti, and reliever Mike Kinneman gave up a single to Kent Hrbek. Mark Williamson came on to get a second out before intentionally walking pinch-hitter Randy Bush to load the bases. Ken Dixon, the fifth pitcher of the inning, then retired pinch-hitter Roy Smalley on a foul pop to end the game.



Eric Bell: "I felt good, real good."

Baltimore's Jim Dwyer hit a two-run homer in the third and Eddie Murray led off the sixth with a home run; Terry Kennedy added a run-scoring double later in the inning and John Scobly singled home a run in the ninth.

Angels 2, Brewers 0: In Milwaukee, Don Sutton pitched two-hit ball for seven innings and moved into 14th place on the all-time victory list with triumph No. 312. Home runs by Brian Downing and Jack Howell handed the Brewers their first loss at home in 10 games this season.

Red Sox 6, Athletics 0: In Boston, Bruce Hurst struck out a career-high 14 en route to a five-hitter that ended a personal three-game losing streak. Hurst struck out 10 or more batters 11 times in his career.

White Sox 2, Yankees 0: In Chicago, Bill Long, who had been stuck in the minor leagues since August 1985, allowed only a pair of singles to Dan Pasqua in outblending Joe Nickro. Long struck out five, walked none and retired 17 straight batters in one stretch. Nickro also gave up only two hits, but they were RBI singles to Gary Redus and Ron Hassey in the third.

Royals 6, Blue Jays 4: In Kansas City, Missouri, Danny Tartabull drove in three runs, two of them in a five-run second that helped the Royals end a six-game Toronto winning streak.

Mariners 7, Tigers 5: In Detroit, Rey Quinones hit a two-out, two-run homer in the ninth to lift Seattle past the Tigers.

Rangers 6, Indians 5: In Arlington, Texas, Curtis Wilkerson singled with two out in the 10th to score Pete Incaviglia from second and complete Texas' comeback victory. The Rangers, who broke a three-game losing streak, had scored four times in the ninth to force extra innings.

Expos 6, Braves 4: In the National League, in Atlanta, Tim Lincecum hit a tie-breaking home run to lead off the seventh, and Montreal went on to down the Braves. Raines, a free agent, re-signed with the Expos last Friday; in four games, he is batting .438 (7-for-16) with a double, triple, three homers and seven RBIs. All his home runs have been game-winners.

Astros 5, Phillies 1: In Philadelphia, pitcher Danny Darwin tripled in two runs in the seventh-inning to carry Houston past the Phillies. Darwin, who also had a ground-rule double and a bunt single, tripled over the head of center fielder Milt Thompson to score Alan Ashby and Bert Pena and break a 1-1 tie.

Reds 2, Mets 0: In New York, Eric Davis stole three bases and robbed Darryl Strawberry of a homer with a leaping catch in the sixth, leading Cincinnati past the Mets. Winner Ted Power walked two and struck out a career-high nine in 8 1/2 innings. Reliever John Wetteland pitched a scoreless ninth.

Pirates 10, Padres 6: In San Diego, Rafael Belliard hit his first major-league home run, a three-run shot that capped a five-run second and started Pittsburgh past the Padres. Belliard, who became the regular Pirate shortstop midway through last season, had gone 404 at-bats without a homer until he drove a pitch from Eric Show over the fence in left-center. (AP, UPI)

'Sonics Edge Rockets, 99-97, Go 2-Up; Lakers, Celtics Win, Hawks Even Series

NBA PLAYOFFS

HOUSTON — The Houston Rockets, the surprise team of the National Basketball Association playoffs last year, trail their year's unlikely success story, the Seattle SuperSonics, by two games to none in their Western Conference semifinal series.

Dale Ellis gave Seattle the lead for good on a 20-foot (6.09-meter) jump shot with 1:33 left and finished with 30 points here Tuesday night to guide the 'Sonics to a 99-97 victory in Game 2 of the best-of-seven series. Game 3 switches to Seattle on Thursday.

Elsewhere, Atlanta topped Detroit to even their semifinal series, 1-1, while the Los Angeles Lakers and the Boston Celtics took 1-0 leads by downing the Milwaukee Bucks and the Golden State Warriors, respectively.

Seattle (39-43 during the season) beat the second-best team in the conference, the Dallas Mavericks, in four games in the opening round. They have won five straight post-season games. The Rockets upset the Lakers in the conference finals last year before losing to Boston in the league championship.

"It was unlikely for us to even be in the playoffs," said Ellis, "much less beat the Rockets twice at home."

Xavier McDaniel added 22 for

Celtics 111, Bucks 98: In Boston, Larry Bird scored 40 points and pulled down 11 rebounds, making up for the absence of all-star forward Kevin McHale, who severely sprained his right ankle in the first round against Chicago.

It was a season-high eighth straight victory for the Celtics, who never trailed. Their 13th consecutive home playoff victory moved them within one of the league record set by the 1949-51 Minneapolis Lakers.

Lakers 125, Warriors 116: In Inglewood, California, James Worthy scored 18 of his 28 points in a 49-point third quarter that carried Los Angeles to victory over Golden State.

The Lakers trailed by 62-55 at halftime before a blistering running game produced an NBA playoff mark for a third period (the old record, 47, had been accomplished twice).

In the quarter, Michael Cooper added 13 points — 9 on 3-point baskets — and Ervin Johnson 11.

Coach Pat Riley called it "one of the best quarters, for 12 minutes of sustained action, that we've ever had." George Karl, the losing coach, agreed. "I really don't think we lost our composure," he said. "They were just playing so well. That was the most beautiful basketball I've ever seen."

Dominique Wilkins added 23 points and Kevin Willis 18 for the Hawks, who led by 56-48 at halftime. Atlanta was in front by 68-65 when Wilkins hit an 18-foot jumper to start a burst that produced a 85-71 cushion going into the final quarter.

Mayotte Shoots for Higher Profile

By Peter Alfano
New York Times Service

WASHINGTON — The photo studio was located in a dimly lit, unfurnished basement, far removed from the glamour usually associated with a high-profile modeling career.

After four tedious hours of primping for the camera — being polished and tugged at by a photographer's assistant, having water sprayed on him to simulate sweat, being asked to smile on cue — Tim Mayotte had a new appreciation for the preparation he puts into a tennis workout, when at last the emotion and sweat are real.

He understood, however, that a tennis player sometimes must do more than just play well to attract attention. Nowadays, athletes are packaged and sold like wine coolers, and Dick Dell, Mayotte's representative at Pro-Serv, is attempting to familiarize the corporate world with a player ranked No. 10 in the world — an American, no less, in an era when Europeans are dominant.

Mayotte, 26, has the clean-cut appearance that figures to make him attractive to companies looking for an ad spokesperson. He is 6-foot-3 and 180 pounds (150 meters, 81.6 kilograms), a former Stanford student who is among the more insightful players in tennis. The task is to let the business world know he exists.

"I've never done anything like this before," Mayotte said, "being in a program to become more popular. There is a certain level of recognition that comes when you're good at what you do, but in the United States you have to be perceived as an exciting personality, a celebrity."

So Mayotte, who was to meet Pavel Vojtesek of West Germany in a first-round match in the Tournament of Champions here Wednesday, was a patient subject during his first "photo shoot" last week in Washington. He put on three distinct faces for the camera.

He was Indiana Jones, unshaven, adventurous, dressed in khaki; the rugged look to complement his big serve-and-volley game and subtly counter his "Gentleman Tim" image, which is perceived as being too nice.

In a blue blazer and gray slacks, hair slicked back with styling gel, he was the cover of Gentleman's Quarterly.

And, wearing boldly-striped casual trousers, a blue sweater and loafers, he was the ultimate prep.

Self-promotion is fine, Mayotte said, as long as it is an honest portrayal. "I think tennis is slipping in popularity here and the McCauro and Connors image has been pushed as the only successful one in the U.S.," he said. "I don't like to toot my own horn, but I think you can be successful by striving for excellence, being mid-mannered and going to college."

"It's important to be yourself," he said. "Bjorn Borg was like a mystical ice king but basically, he did nothing but his winners. Bruce Springsteen is successful, but he is just being himself on stage, wearing jeans like a guy working on a loading dock. Anyone can become famous, but I'd be uncomfortable if I weren't being myself. And ultimately, I'm a tennis player."

He has won two tournaments and is having his best year, although he is stepping out of character in the Tournament of Champions. Mayotte is a grass-court specialist who does well on hardcourts and indoor carpet. Although seeded third, he does not expect to



Tim Mayotte: Indiana Jones — and the ultimate prep.

SCOREBOARD

Baseball

Tuesday's Major League Line Scores

Table with columns for team, score, and inning. Includes games like Seattle vs Houston, Atlanta vs Detroit, Los Angeles vs Milwaukee, etc.

Golf

PGA Leaders

Table listing PGA leaders with names like Paul Azinger, Payne Stewart, Corey Pavin, etc.

Basketball

National Basketball Association Playoffs

TUESDAY'S RESULTS

Table showing NBA playoff results for various teams like Milwaukee vs Seattle, Detroit vs Atlanta, etc.

Hockey

NHL Playoff Semifinals

TUESDAY'S RESULT

Table showing NHL playoff results for teams like Detroit vs Philadelphia, St. Louis vs Minnesota, etc.

NBA Playoff Schedule

Schedule for NBA playoff semifinals, listing dates and matchups for Eastern and Western conferences.

Transition

BASEBALL

Mark Irvin, Frank Pritchett, Ken Whistler and Darryl Rosen, defensive backs; Pat Conway, John Henry (and Russell Payne, tight ends, and Morris Acguitte and Jeff Van Roshard, quarterbacks.

European Soccer

UEFA CUP FINAL (Final Leg: Second Leg, May 30) IFK Goteborg 1, Dundee United 0.

INTERNATIONAL CLASSIFIED

(Continued from Page 18)

Multiple classified ads for international services including ESCORT, LONDON BELGRAVIA, MAYFAIR CLUB, CAPRICE-NEW YORK, LONDON KENSINGTON, ARISTOCATS, and ZURICH.

Wings Stun Oilers, 3-1

The Associated Press EDMONTON, Alberta — Thanks to Greg Stefan's night of firsts, the Detroit Red Wings have drawn first blood in their

NHL PLAYOFFS

National Hockey League semifinal playoff series with the powerful Edmonton Oilers.

Playing his first game in almost two weeks, the Detroit goaltender defeated the Oilers for the first time after six career losses, kicking out 31 shots Tuesday night and carrying the Wings to a stunning 3-1 victory.

"After the week I had, with all the controversy, this feels great," said Stefan, who was benched by Coach Jacques Demers for the final five games of the Norris Division final against Toronto; he didn't even dress in four of the contests while red-hot Glen Haulton starred in goal.

So why the change on Tuesday? "Because," said Demers, "I thought we could win with Greg Stefan."

Said the goalie: "It's a big win for the team, obviously, and for me."

In Thursday's second game of

Large classified ad for ESCORTS & GUIDES, listing various international services and contact information.

